SIA Wandoo Finance
Consolidated Annual Report for 2023

Riga, 2024

Table of Contents

Information about the Group

Name of the Group's Parent Company	Wandoo Finance
Legal status of the Parent Company	Limited liability company
Registration number	40103970112
Registered in the Commercial Register	17.02.2016
Address	Kārļa Ulmaņa gatve 119, Mārupe, Mārupes novads, LV-2167
Main types of activity of the Parent Company	Activities of holding companies Development of IT systems and provision of IT development and programming services to other companies
Board of the Parent Company	
Chairperson of the Board	Krišjānis Znotiņš, held the office of Member of the Board from 13.11.2023 to 17.11.2023, individual representation rights Chairman of the Board from 17.11.2023, individual representation rights
Member of the Board	Raivo Tambors, held office from 02.10.2020 to 13.11.2023 individual representation rights
Annual Report prepared by	Irita Siņuka, Chief Accountant at SIA Wandoo Finance
Reporting year	1 January–31 December 2023
Auditor's name and address	SIA Sandra Dzerele un Partneris Commercial Company of Sworn Auditors Licence No. 38, Address: Vīlandes iela 7-1 Riga, LV-1010 Latvia Sworn Auditor in Charge Sandra Dzerele Certificate No. 82.

Information on subsidiaries involved in the consolidation

Name of the Company	Wandoo Finance LLC
Registration number, place and date	400165806, established on 7 March 2016
Address	P. Kavtaradze № 14a, Block A, Flat 55, Tbilisi 0186, Georgia
Reporting year	1 January–31 December 2023
Participating interest of the Parent Company	100%

Name of the Company	Wandoo Finance Sp z.o.o
Registration number, place and date	629774, established on 27 July 2016
Address	Chalubinskiego 8, Warsaw, Poland, 00-613
Reporting year	1 January–31 December 2023
Participating interest of the Parent Company	99%

Name of the Company	Swaper, SIA
Registration number, place and date	40203005445, established on 14 July 2016
Address	K.Ulmaņa gatve 119, Mārupes nov., LV-2167, Latvia
Reporting year	1 January–31 December 2023
Participating interest of the Parent Company	100%

Name of the Company	Wandoo Finance S.L.
Registration number, place and date	B87821823, established on 25 April 2017
Address	Avenida de Europa N 19, 3A, Parque Empresarial La Moraleja, Alcobendas, 28108 Madrid, Spain
Reporting year	1 January–31 December 2023
Participating interest of the Parent Company	100%

Name of the Company	Wandoo Finance ApS
Registration number, place and date	38542710, established on 23 March 2017
Address	Automatikvej 1, 3. 4, 2860 Søborg, Denmark
Reporting year	1 January–31 December 2023
Participating interest of the Parent Company	100%

Name of the Company	Timbex Sp z.o.o
Registration number, place and date	806248, acquired on 8 December 2022
Address	ul. Grzybowska 4 13, Warsaw, Poland, 00-131
Reporting year	1 January–31 December 2023
Participating interest of the Parent Company	100%

Name of the Company	Avinto Finance IFN S.A.
Registration number, place and date	46777294, established on 5 September 2022
Address	194 Calea Floreasca, Floreasca Lake Offices 2nd floor, Bucharest, Romania, 014472
Reporting year	5 September–31 December 2023
Participating interest of the Parent Company	99.98%

Name of the Company	NewCo Holding EUR 12 S.A R.L.
Registration number, place and date	B273124, acquired on 12 June 2023
Address	8-10, Avenue de la Gare, L-1610 Luxembourg
Reporting year	1 January–31 December 2023
Participating interest of the Parent Company	100%

Name of the Company	Data Invision, SIA
Registration number, place and date	40203212114, acquired on 25 July 2023
Address	K.Ulmaņa gatve 119, Mārupes nov., LV-2167, Latvia
Reporting year	1 January–31 December 2023
Participating interest of the Parent Company	100%

Management Report
to the Consolidated Annual Report of 2023

General description of the Group

Wandoo Finance group (hereinafter - the Group) consists of the Parent Company SIA Wandoo Finance, which implements activity of holding company and provides IT systems development services to other companies, and 9 subsidiaries in 7 countries, active operation being implemented in Spain, Poland and Romania. The Group's subsidiaries are fast-growing crediting companies that provide consumer lending services, using the latest technologies and unique self-developed platforms.

The main type of activity of subsidiaries is issuing of loans to short-term borrowers. Subsidiaries carry out assessment of borrowers and assess the related risks according to the requirements of legislation of each particular country, in order to make responsible investments of the funds of investors.

The Group has successfully staffed the management team, as well as the team of IT developers, which allows to develop the Group according to the strategic goals.

Financial performance results and financial standing

The Group closed the year 2023 with profit in the amount of EUR 414,765. Consequently, the profit of the Group increased by 149% compared to 2022, as the year 2022 was closed with loss of EUR 851,536.

The total net turnover in 2023 increased by 65% compared to 2022, which mainly can be explained by the increase in interest revenue from issued loans by 118.48%.
Upon the net turnover increasing, also the service acquisition costs related to the principal activity have increased by 63%. In 2023 compared to 2022, the customer portfolio increasing in subsidiaries, the loss from writing off of customer loans has increased by EUR 1,206,103 or 334%, and also costs of provisions for doubtful lending loans increased by 83%. Compared to 2022, a significant increase in 2023 can be observed also in expenses of use of co-financing platform by 121% and in commission fees for ensuring of payments by 118%.

Compared to 2022, also increase in administrative costs by EUR 512,721 or 28% can be observed in 2023, which can be explained by increase in costs of professional services by EUR 226,148 or 52%, as well as in administration personnel costs by EUR 249,302 or 31%.

The Group's Parent Company increased the share capital in the reporting year, capitalising claim rights in the amount of 3.4 million euro and issuing 250 new capital shares.
As a result, the equity capital increased significantly in 2023. On 31 December 2023, the equity capital of the Group comprised EUR 4,889,804 (on 31 December 2022, it comprised EUR 2,200,075).

It is planned that in the following years the Group will operate with profit as a result of growth.

Significant risks and uncertain conditions

Significant risks, which may affect the operating results of the Group, are risks related to the principal activity of subsidiaries. These are:

- Credit risk – the risk that the Group may incur financial loss if counterparty is unable to meet its contractual obligations; and credit risk is mainly related to debts of borrowers – natural persons. The

Group actively follows that the repayment deadlines are observed;

- Interest rate risk – the risk that changes to interest rates will affect the Group's revenue or value of portfolios of financial instruments. It is in the interests of the Group to follow the potential market changes to respond to them in a timely manner;
- State risk – the risk related to changes to the legislation, which may have adverse impact on the Group, affected by changes to the legislation of the specific country. Similar as with interest rate risks, the Group pays particular attention to potential changes to ensure that there is time to respond to such changes;
- Currency risk - the risk that the Group may incur unforeseen loss due to foreign currency exchange rate fluctuations. The Group strives to balance the incoming and outgoing currency flows;
- Market risk – the risk related to material deterioration of quality of debtors portfolio on the represented markets, which will affect increasing of the amount of provisions and increase of potential loss. The Group continuously revises and, if necessary, improves the methodology that ensures a more qualitative portfolio. The Group constantly improves the debt recovery procedures to improve recoverability of the overdue receivables portfolio;
- Liquidity risk – the risk that the Group will be unable to ensure its current and future cash flow and security for funds borrowing needs in a manner that the Group's day-to-day operation or the Group's overall financial status is not compromised. To prevent this risk, the Group plans the future cash flow.

Further development of the Group and validity of the going concern assumption

The Group will continue its development also in the coming years, extending the range of services provided by subsidiaries with new financial products, thus increasing the amount of loans issued and strengthening the positions of subsidiaries on the respective markets.

An essential task is to ensure business growth on the existing and new markets, paying particular attention to control and optimization of costs. This will allow to increase the business volumes, improve profitability, at the same time retaining attractive return on capital for the Company's shareholders.

In 2024 and 2025, the Group's management plans to continue raising of funding. The main attention in the investment policy will be paid to return on planned investment, considering the project funding costs and potential risks of investment projects.

One of the main goals of the Group is management of the aforesaid risks, attracting competent experts with extensive experience in this field and ensuring timely risk assessment and a plan of risk mitigation measures corresponding to the market situation, as well as automation of internal processes aimed at raising the operational efficiency.

This financial statement has been prepared, based on the going concern assumption. The Group closed the year 2023 with profit.

Aggregate of the Company's own shares

The Company has neither redeemed, nor sold its shares in the reporting year.

The Company's branches and representative offices abroad	The Company does not have representative offices or branches abroad.
Recommendation for profit distribution	The Board of the Group's Parent Company recommends to use the profit of the reporting year for covering loss of the previous years.
Events after the end of the reporting year	After the end of the reporting year, the Group has received an extra-group loan of EUR 14,734,921 and has made repayment of the loan in the amount of EUR 4,813,754.
	In 2024, the Group has concluded several credit facility agreements with the total credit limit of EUR 2,370,000 and several loan agreements with the total loan amount EUR 2,480,000 and repayment periods from one to four years.
	After the Balance Sheet date, the Group has established a subsidiary in Poland with the share capital of EUR 23,978.
	In the period of time between the last day of the reporting year and the day when the management signs the Annual Report there have not occurred any significant or extraordinary circumstances that would affect the yearly results and the Company's financial standing.

Krišjānis Znotiņš
Chairperson of the Board

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Statement of Management's Responsibility

The management of the Parent Company is responsible for the preparation of consolidated financial statements based on the initial accounting for each reporting period which truly reflects the Group's financial standing at the end of the reporting year as well as on performance results and cash flows for this period.

The management confirms that appropriate accounting methods were used to prepare these financial statements for the period ended 31 December 2023, their application was consistent, reasonable and cautious decisions have been made. The management confirms that the respective regulatory accounting principles of the Republic of Latvia have been adhered to and the consolidated financial statements have been drawn up in accordance with the going concern assumption.

The management is responsible for appropriate keeping of accounting records, preservation of the Group's assets, as well as prevention of fraud and other dishonest practices.
The management confirms that it has provided the information and explanations required to perform the audit.

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Krišjānis Znotiņš
Chairperson of the Board

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Consolidated Profit and Loss Statement for 2023 and 2022

	Notes	2023 Eur	2022 Eur
Net turnover	3	20 521 869	12 462 928
from other types of the principal activity		*20 521 869*	*12 462 928*
Cost of sales	4	(18 324 471)	(11 259 069)
Gross profit or loss		**2 197 398**	**1 203 859**
Selling expense	5	(13 203)	(14 093)
Administrative expense	6	(2 367 377)	(1 854 656)
Other operating income	7	2 089 714	478 857
Other operating expense	8	(118 455)	(273 916)
Other interest income and similar income	9	678	2 946
from other persons		*678*	*2 946*
Interest and similar expense	10	(887 562)	(387 506)
to other persons		*(887 562)*	*(387 506)*
Profit or loss before corporate income tax		**901 193**	**(844 509)**
Corporate income tax for the reporting year		(494 638)	(1 920)
Profit or loss after calculation of corporate income tax		406 555	(846 429)
Profit or loss of the reporting year		**414 765**	**(851 536)**
Share of profit or loss of minority shareholders		(8 210)	5 107

Notes from Page 15 to 33 are an integral part of these financial statements.

Krišjānis Znotiņš
Chairperson of the Board

Irita Siņuka
Chief Accountant

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Consolidated Balance Sheets as at 31 December 2023 and 2022

ASSETS	**Notes**	**31.12.2023 Eur**	**31.12.2022 Eur**
Non-current assets			
I Intangible assets			
Concessions, patents, licences, trademarks and similar rights		12 525	17 027
Other intangible assets		614 916	410 257
Goodwill		8 028	-
Advance payments for intangible assets		-	1 140
Total intangible assets	11	***635 469***	***428 424***
II Property, plant and equipment			
Other property, plant and equipment		97 919	66 771
Total property, plant and equipment	12	***97 919***	***66 771***
III Non-current financial assets			
Other loans and other long-term receivables	13,14	76 167	62 976
Total non-current financial assets		***76 167***	***62 976***
Total non-current assets		***809 555***	***558 171***
Current assets			
I Receivables			
Trade receivables		5 881 891	3 980 439
Other receivables	14	14 353 482	6 930 013
Prepaid expense	15	97 999	64 208
Total receivables		***20 333 372***	***10 974 660***
II Cash	16	***1 938 675***	***905 260***
Total current assets		***22 272 047***	***11 879 920***
Total assets		**23 081 602**	**12 438 091**

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Consolidated Balance Sheets as at 31 December 2023 and 2022

LIABILITIES	**Notes**	**31.12.2023 Eur**	**31.12.2022 Eur**
Equity			
Share capital	17	4 003	3 753
Share premium	17	12 333 547	10 033 797
Reserves:			
foreign currency recalculation reserve		72 439	89 265
Retained earnings			
Previous year's retained earnings or accumulated loss		(7 935 143)	(7 083 607)
Profit or loss of the reporting year		414 765	(851 536)
Total retained earnings		*(7 520 378)*	*(7 935 143)*
Participating interest of minority shareholders		*193*	*8 403*
Total equity		***4 889 804***	***2 200 075***
Liabilities			
I Non-current liabilities			
Other loans	18	5 404 619	4 640 549
Total non-current liabilitites		***5 404 619***	***4 640 549***
II Current liabilitites			
Other loans	18	5 762 204	409 844
Trade payables		1 852 328	1 258 263
Taxes and state social insurance contributions		820 031	281 426
Other payables	19	4 002 270	3 334 623
Accrued liabilities	20	350 346	313 311
Total current liabilitites		***12 787 179***	***5 597 467***
Total payables		***18 191 798***	***10 238 016***
Total equity and liabilitites		**23 081 602**	**12 438 091**

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Consolidated Statement of Changes in Equity

Types of changes	**Share capital**	**Share premium**	**Foreign currency recalculation reserve**	**Retained earnings**	**Participating interest of minority shareholders**	**Equity**
	Eur	**Eur**	**Eur**	**Eur**	**Eur**	**Eur**
Balance as at 31.12.2021	**3 403**	**6 647 897**	**(182 489)**	**(7 083 607)**	**(6 704)**	**(621 500)**
Loss of the reporting period	-	-	-	(851 536)	-	(851 536)
Increase in the reporting year	350	3 385 900	271 754	-	15 107	3 673 111
Balance as at 31.12.2022	**3 753**	**10 033 797**	**89 265**	**(7 935 143)**	**8 403**	**2 200 075**
Profit / loss of the reporting period	-	-	-	414 765	(8 210)	406 555
Increase / (decrease) in the reporting year	250	2 299 750	(16 826)	-	-	2 283 174
Balance as at 31.12.2023	**4 003**	**12 333 547**	**72 439**	**(7 520 378)**	**193**	**4 889 804**

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Consolidated Cash Flow Statement	**31.12.2023 Eur**	**31.12.2022 Eur**
Cash flow from the principal activity		
Profit or loss before taxes	901 193	(844 509)
Adjustments:		
- Adjustment of impairment of fixed assets	40 218	37 813
- Adjustment of impairment of goodwill	316 337	195 776
- Profit or loss from foreign exchange rate fluctuations	10 799	(23 760)
- Interest costs	880 993	377 591
- Interest revenue	(678)	(2 946)
- Net (profit) or loss from sales or liquidation of long-term investments	150	(1 007)
- Adjustments of impairment of long-term and short-term financial investments	6 823 057	3 733 393
Cash flow from the principal activity before changes in the current assets	**8 972 069**	**3 472 351**
Adjustments:		
- Decrease / (increase) in receivables	(16 336 659)	(8 209 274)
- (Decrease) / increase in payables	1 472 342	4 175 003
Gross cash flow from the principal activity	**(5 892 248)**	**(561 920)**
- Expenses of interest payments	(288 242)	(31 963)
- Expenses of corporate income tax payments	(8 049)	(1 149)
Net cash flow from the principal activity	**(6 188 539)**	**(595 032)**
Cash flow from the investment activity		
- Acquisition of fixed assets and intangible investments	(587 860)	(389 789)
- Issued loans	(19 000)	(19 000)
- Revenue from repayment of loans	4 748	10 560
- Received interest	74	181
Net cash flow from the investment activity	**(602 038)**	**(398 048)**
Cash flow from the financing activity		
- Revenue from increasing the fixed capital	2 300 000	10 000
- Received loans	6 880 000	2 815 000
- Expenses of loan repayment	(1 356 008)	(2 143 246)
Net cash flow from the financing activity	**7 823 992**	**681 754**
Net cash flow of the reporting year	**1 033 415**	**(311 326)**
Balance of cash and its equivalents at the beginning of the reporting year	**905 260**	**1 216 586**
Balance of cash and its equivalents at the end of the reporting year	**1 938 675**	**905 260**

Notes from Page 15 to 33 are an integral part of these financial statements.

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Notes to the financial statements

1) General information about the Group

SIA Wandoo Finance (hereinafter – the Group's Parent Company) is registered with the Enterprise Register of the Republic of Latvia on 17 February 2016. The legal address of the Group's Parent Company is Kārļa Ulmaņa gatve 119, Mārupe, Mārupes novads, LV-2167.

Wandoo Finance Group (hereinafter - the Group) provides IT systems development services and other services, having subsidiaries in 6 countries. The Group's subsidiaries are crediting companies that, using the latest technologies, provide consumer and study lending services.

Information about subsidiaries of the Group is reflected in the following table.

Information about the subsidiary and country of residence	Participating interest (%)	Part of the Group since
SIA Swaper, Kārļa Ulmaņa gatve 119, Mārupe, LV-2167, Latvia	100	14 July 2016
Wandoo Finance LLC, P. Kavtaradze № 14a, Block A, Flat 55, Tbilisi 0186, Georgia	100	7 March 2016
Wandoo Finance Sp z.o.o, Chalubinskiego 8, Warsaw, 00-613, Poland	99	27 July 2016
Wandoo Finance S.L., Avenida de Europa N 19, 3A, Parque Empresarial La Moraleja, Alcobendas, 28108 Madrid, Spain	100	25 April 2017
Wandoo Finance ApS, Automatikvej 1, 3. 4, 2860 Søborg, Denmark	100	23 March 2017
Timbex Sp z.o.o., ul. Grzybowska 4 13,00-131 Warsaw, Poland	100	8 December 2022
Avinto Finance IFN S.A., 194 Calea Floreasca, Floreasca Lake Offices 2nd floor, 014472 Bucharest, Romania	99.98%	5 September 2022
NewCo Holding EUR 12 S.A R.L., 8-10, Avenue de la Gare, L-1610 Luxembourg	100	12 June 2023
SIA Data Invision, K.Ulmaņa gatve 119, Mārupes nov., LV-2167, Latvia	100	25 July 2023

2) Summary of most significant accounting policies

The framework of preparation of the financial statements

The Group's financial statement has been prepared according to the Law on Accounting, the Law on the Annual Financial Statements and Consolidated Financial Statements and the Cabinet of Ministers Regulation No. 775 "Regulations on the Application of the Law on the Annual Financial Statements and Consolidated Financial Statements" of the Republic of Latvia.
The Balance Sheet, the Profit and Loss Statement, the Cash Flow Statement, the Statement of Changes in Equity are prepared based on the scheme provided in the respective annexes to the Law on the Annual Financial Statements and Consolidated Financial Statements.

The financial statements are prepared in accordance with the initial carrying amount principle. The monetary unit used in the financial statements is euro (EUR). The financial statements cover the period from 1 January 2023 till 31 December 2023.

The Group is classified as a medium-sized Group according to the criteria defined in the law.

The law envisages additional benefits for small and medium-sized groups in preparation of their financial statements, but at the same time provides that any financial statement should give a true and fair view of the financial position, profit or loss of the group, and for annual reports of medium and large groups – also cash flow.

The Consolidated Profit and Loss Statement was prepared according to the turnover costs method. The Consolidated Cash Flow Statement was prepared according to the indirect method.

Notes to the financial statements

The financial statements give a true and fair view of the assets, liabilities, financial standing, profit or loss and cash flow of the Company.
The financial statements have been prepared in compliance with the following general principles:

- it is assumed that the Company will continue its activity (going concern principle),
- the same accounting policy and evaluation methods are used as were used in the previous reporting year,
- items of the financial statements are recognised and measured on a prudent basis, especially adhering to the following rules:
  a) only the profit earned before the Balance Sheet date is included in the financial statements,
  b) all the liabilities, as well as anticipated amounts at risk and loss that have occurred during the reporting year or previous years, even if they have become known during the time between the Balance Sheet date and the day when the Annual Report is signed by the management, the authorised person or a governing body, are taken into account,
  c) all impairments of assets and depreciation amounts are calculated and taken into account regardless of whether the reporting year has closed with profit or loss,
- amounts in items of the Balance Sheet and the Profit and Loss Statement are specified based on an accrual basis, namely, revenue and expenses are specified taking into account the time of their occurrence rather than the time of receipt or spending of money. Revenue and expenses related to the reporting year are specified regardless of the payment date or the date of receipt of the invoice,
- costs are reconciled with revenue in the corresponding reporting periods,
- assets and liabilities items of the Balance Sheet are evaluated separately,
- any set-off between the assets and liabilities items of the Balance Sheet or the revenue and expense items of the Profit and Loss Statement is forbidden,
- if an alienated or liquidated long-term investment object is excluded, the revenue and costs related to the exclusion of the said object are mutually set off. The net value is indicated in the Profit and Loss Statement – the profit or loss from alienation of the long-term investment object, which is calculated as a difference between the book value of the excluded object and the revenue and expenses of its alienation or liquidation provided that the gross amounts are shown in the notes to the financial statements;
- the amounts in items of the Balance Sheet and the Profit and Loss Statement are specified taking into account the economic contents and nature of transactions rather than their legal form only,
- items of the Balance Sheet and the Profit and Loss Statement are evaluated at the acquisition cost.

Specific items of the Balance Sheet, the Profit and Loss Statement, the Cash Flow Statement and the Statement of Changes in Equity shown important financial information, which has a significant influence on the evaluation or decision-making of users of the annual report. Insignificant amounts which do not considerably impact the assessment or decision-making by the users of the annual financial statements in the said components of financial statements are shown in the respective items aggregating similar financial information and the details of these sums are given below in the notes to financial statements.

Going concern basis

This financial statement has been prepared, based on the going concern assumption. The Group closed the year 2023 with profit and further activity is aimed at increasing the turnover and profit.

Consolidation guidelines

The consolidated financial statements include the financial information of the Group’s Parent Company and all subsidiaries controlled by it, covering the year 2023.

The financial statements of the Group’s subsidiaries have been prepared, applying the accounting principles of the Group’s Parent Company. If the period of the annual report of any subsidiary of the Group involved in the consolidation differs from the Balance Sheet date of the Annual Report of the Parent Company, such subsidiary shall be involved in the consolidation based on the (unaudited) financial statements prepared for the consolidation, the Annual Report period of which corresponds to the Balance Sheet date of the Consolidated Annual Report.

The control exists if the Group's Parent Company is subject to or is entitled to various benefits from its investments into the investment recipient, or it is capable of influencing the operating results of the investment recipient by exercising its influence over the investment recipient. Consolidation of a subsidiary starts when the Group gains control over it, and ends when the Group loses control over this subsidiary.

Financial statements of the Group's Parent Company and its subsidiaries are consolidated in the Group's financial statements, combining the respective assets and liabilities, as well as revenue and costs items. All mutual transactions of the Group's companies, balances and unrealised gain and loss from mutual transactions of the Group's companies, are fully excluded during the consolidation process.

Changes to the Group's participating interest in the subsidiary, as a result of which the control is not lost, are accounted in equity capital transactions. If the Group loses the control over a subsidiary, it shall:

- terminate recognition of assets and liabilities of the subsidiary;
- terminate recognition of non-controlling participating interest according to its carrying amount;
- terminate recognition of the cumulative revaluation difference accounted in the equity capital;
- recognise the fair value of the received consideration;
- recognise the retained investments according to their fair value;
- recognise any gains or loss in the Profit and Loss Statement, attributing them to the share of profit of shareholders of the Group's Parent Company.

Use of estimates

In the preparation of the financial statements, the management of the Group has made a number of estimates and assumptions which have an impact on the balance of individual items of the Balance Sheet and the Profit and Loss Statement included in financial statements as well as the amount of contingent liabilities. Future events can influence the said estimates and assumptions. Any impact of changes in such estimates and assumptions on the Company's performance results is indicated in financial statements at the moment they have been established.

Foreign currency revaluation

The functional currency of the Parent Company and the currency used in the Group's financial statements is the monetary unit of the Republic of Latvia – Euro (EUR). All foreign currency transactions are revalued into euro according to the euro reference exchange rate published by the European Central Bank on the day of making the respective transaction. For consolidation purposes, the following procedures apply to subsidiary financial statements not denominated in EUR:

1) the monetary assets and liabilities that are expressed in a foreign currency shall be converted into EUR according to the euro reference exchange rate published by the European Central Bank on the last day of the reporting year.
   The applied currency exchange rates at the end of the reporting period:

	31.12.2023	**31.12.2022**
	EUR 1	**EUR 1**
GEL	2.97050	2.88440
DKK	7.45290	7.43650
PLN	4.33950	4.68080
RON	4.97560	4.94950

2) profit and loss data is calculated by applying the average exchange rate.
   The applied average foreign currency exchange rates:

	31.12.2023	**31.12.2022**
	EUR 1	**EUR 1**
GEL	2.85080	3.33990
DKK	7.45090	7.43960
PLN	4.54120	4.68610
RON	4.93130	4.93130

Notes to the financial statements

3) exchange rate fluctuations from revaluation of financial statements of subsidiaries in EUR are recognised in the Equity Capital as exchange rate fluctuation reserves.

Exchange rate differences arising from settlement in currencies or reflecting assets and liabilities items using exchange rates that differ from the exchange rates used initially for accounting of transactions, shall be recognised in the Profit and Loss Statement at their net value.

Intangible assets

Intangible assets are measured at the historical value depreciated on a straight-line basis over the useful life of the assets. If any events or a change in conditions indicates that the carrying value of an intangible asset may not be recoverable, the value of the respective intangible asset is reviewed for impairment. Impairment loss is recognised if the carrying value of the intangible assets exceeds its recoverable amount.

Concessions, patents, licences, trade marks and similar rights
Intangible investments mainly consist of the usage rights, licences, patents, concessions and similar rights, which have been obtained for remuneration. Intangible investments are valued according to their historical cost value less the accrued depreciation. Depreciation is calculated using the straight-line method over their useful life of 3 years.

Other intangible assets
Other intangible assets comprise the costs of the Group's internally developed management information systems software and includes capitalised costs of salaries of IT employees, as well as external costs incurred during the development stage. Capitalisation of the costs of salaries of IT employees is done based on detailed reports about implemented improvement works. Significant costs of maintenance and improvement of systems are added to the historical costs of assets, if they meet the capitalisation criteria.
These costs are capitalised only in case when they meet all the following criteria:
• the project is clearly identified and the related costs are divided by items and safely monitored;
• technical and industrial feasibility of completion of the project is justified;
• there is a clear intent to complete the project and use or sell the asset obtained as a result of the project;
• the Group is capable of using or selling the intangible asset obtained as a result of the project;
• the Group is capable of demonstrating how the intangible asset will generate credible future economic benefits;
• the Group has sufficient technical, financial and other resources to complete the project and use or sell the obtained intangible asset.

After the initial recognition, other intangible investments are evaluated at their initial value, deducting the accrued impairment loss. Depreciation is calculated using the straight-line method over the asset's useful life of 3 years. The useful life of the asset shall be revised by the management each year, also adjusting the depreciation period respectively.

Goodwill
Remuneration costs related to acquisition of the Group's subsidiaries, which cannot be attributed to other items of the Balance Sheet Assets, are recognised in the item "Goodwill" and their initial value is written off gradually according to the linear method over a period of 10 years. If subsidiary acquisition costs are lower than their acquired net assets, the gain is recognised at the moment of acquisition in the Profit and Loss Statement item "Other revenue from the economic activity".

Property, plant and equipment

Property, plant and equipment are accounted at their initial value less accumulated depreciation and impairment. Land depreciation is not calculated. Depreciation is calculated using the straight-line method during the useful life of such asset. Furniture and office equipment are depreciated in 5 years; Computers and devices – in 3 years. The Company capitalises the property, plant and equipment the value of which exceeds EUR 100 and the useful life of which exceeds 1 year.

Fixed assets are depreciated starting from the month, which follows the month when the asset put in use.

If any events or changes in circumstances indicate that the Balance Sheet value of fixed assets may not be recoverable, the value of the respective fixed assets is reviewed for impairment. If there is an indication of irrecoverability of value and the Balance Sheet value of the asset exceeds its estimated recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The recoverable amount of a fixed asset is the higher of net realisable value and value in use. When estimating the value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money of the asset value changes and related risks. If an asset does not generate significant cash flows, to estimate its recoverable amount the recoverable amount of the cash generating unit to which an asset belongs must be determined. Loss from impairment is recognised in the Profit and Loss Statement as other costs of the economic activity.

Trade receivables

Trade receivables comprise customer debts for the services provided by the Group. Trade receivables are carried and reflected in the Balance Sheet according to the initial amount of invoices less provisions created for doubtful debts. Provisions for doubtful debts are estimated, when it is no longer likely for the full debt amount to be received. Debts are written off, if they are deemed impossible to recover.

Other receivables

Loans issued by the Group

Loans issued by the Group are reflected in the Balance Sheet item “Other receivables”.

Loans are non-derivative financial assets with fixed payment schedule. Loans are initially reflected at their initial value, which is determined by adding to the loan amount the costs related to issue of the loan and deducting the related revenue from commission fees of customers.

The issued loans (or, depending on the conditions, any part of this financial asset or a part of a group of similar financial assets) are derecognised (i.e., it is excluded from the Group’s Balance Sheet), when the rights to cash flows from the respective financial asset item ends; or the Group has transferred its rights to cash flows from the financial asset; and either (a) has transferred essentially all risks and remunerations arising from ownership rights to the financial asset; or (b) has neither transferred, nor retained essentially all risks and remunerations arising from ownership rights to the financial asset, but has retained control over the respective asset.

Impairment of loans issued by the Group

Impairment of loans issued is recognised if there are objective indications that a loss event has occurred and it affects future cash flows of assets. Impairment is calculated as difference between the accounting value of the asset and the estimated present value of future net cash flows. The future cash flow is discounted with the actual interest rate, which is calculated at the moment of initial recognition of assets.

The Group applies an internally developed model for impairment calculations of issued loans, assessing whether there is objective evidence that the expected recoverable amount of these financial assets is lower than the accounting value of these assets. The issued loans are grouped with assets having similar credit risk parameters divided by country and product type, and are assessed jointly. Impairment of jointly assessed assets covers the asset loss that is characteristic of loan portfolios with similar credit risk levels. The amount of loss is recognised in the Profit and Loss Statement.

The impairment (or anticipated loss) is calculated by using a calculation according to a methodology based on internal ratings, where the key parameters are probability of default (PD), loss given default (LGD) and exposure at default (EAD). Impairment is equal to multiplication of PD, LGD and EAD. EAD is comprised of the principal and accrued interest of issued loans.

To determine PD, the Group applies transition rates, according to which loans transfer from one category of days of delay to the next category. This methodology uses statistical analysis of historical data and days of delay and default, in order to assess the loans for which default is expected. The Group determines default, if:

- a payment is overdue for more than 90 days;
- a fraud case is detected;
- the debtor has died or bankruptcy proceedings have been completed.

Notes to the financial statements

LGD is calculated as a part of assets that are not recovered during the loan administration process after 90 days of delay and is calculated as 1 – recoverability rate. The recoverability rate is discounted all incoming cash flows after the default. All recovered funds are discounted applying the average weighted annual interest rate (AIR) of the respective product.

If the historical data is insufficient for the respective product, a similar type product of the Group is used as the benchmark.

If the amount of impairment loss decreases in the following periods and the impairment can be objectively linked to an event that has occurred after recognition of impairment, the previously recognised impairment loss is reversed. Any subsequent changes to impairment loss is recognised in the Profit and Loss Statement to the extent the asset accounting value does not exceed the amortised acquisition value on the date of such changes.

Receivables related to loan intermediation services
The Group provides loan intermediation services in Poland and acts as an agent, transferring cash flows among partners and their customers on a daily basis. Such transfers create a claim of debtors or creditors regarding the difference between the amount transferred to partners and received by partners.

Receivables for funds transferred to customers on behalf of cooperation partners constitute the amount to be received from cooperation partners and are reflected in the item “Other receivables” Whereas the amount to be transferred to cooperation partners is constituted by loan repayments made by customers, which the Group has not transferred to cooperation partners. These amounts are reflected in the item “Other payables”.

Cash and cash equivalents
Cash and cash equivalents are constituted by cash in bank, in hand and in transit.

Other loans and Other borrowings
Other loans and borrowings are initially recognised at their initial value, which is determined by adding to the fair value of the loan or borrowing the cost of issuing the loan or deducting the cost of receiving the borrowing.

Accrued liabilities
The Balance Sheet item “Accrued liabilities” shows clearly known trade payables for goods and services received during the reporting year for which, due to delivery, purchase or contractual conditions or other reasons, the corresponding supporting document (invoice) has not yet been received for payment at the Balance Sheet date.
The Company makes provisions for liabilities to employees for unused leave.
The accumulated cost of unused leave is estimated by multiplying the average daily earnings of employees for the last six months of the reporting year by the number of days of unused leave accumulated at the end of the reporting year.

Contingent liabilities and assets

No contingent liabilities are recognised in these financial statements. Contingent liabilities are recognised only if there is substantial risk that additional expenses will be incurred in future. Contingent assets are not recognised in this financial statement, yet they are reflected only when the possibility that economic benefits related to the transaction will reach the Group is sufficiently substantiated.

Financial liabilities, granted guarantees, and other contingent liabilities not included in the Balance Sheet
Sureties and guarantees
The Group has no financial liabilities, provided guarantees or other potential liabilities and guarantees not included in the Balance Sheet.
Liabilities for the concluded lease and rental agreements essential for the Company’s performance, including the operating lease liabilities
The Parent Company as well as subsidiaries in Spain and Poland have concluded long-term agreements on lease of office premises for a period of 5 years with annuals costs equalling EUR 270,138. The subsidiary in Denmark

Notes to the financial statements

has concluded an agreement on lease of virtual office premises until 31 March 2024 with the annual costs equalling EUR 1,704.
In September 2023, the Company has concluded a car operating lease agreement for a period of 5 years. The minimum future lease payments from irrevocable lease agreement in the amount of EUR 9,120 will be written off in 2024 and EUR 37,440 – in the remaining lease period. At the commencement of the lease, the first instalment was made, which is written off in lease costs evenly over the entire lease period (see Note 14).
Information about pledged or otherwise encumbered assets of the Company
The Group has no pledged or otherwise encumbered assets.

Recognition of revenue
Revenue is recognised based on assurance that the Group will derive future economic benefits and to the extent that they can be measured reliably, net of value added tax and discounts associated with the sale.
The principal activity of the Group is development of IT systems and provision of related services; consumer lending and process organisation services. The following conditions are also taken into account when recognising revenue.

Revenue from credit intermediation services
The Group provides credit intermediation services that include attraction of customers for consumer loan applications in Poland. The cooperation agreement states that the Group receives a commission fee for the amount of loans issued by cooperation partners. Revenue is recognised in the period when these services are provided. Amounts charged on behalf of cooperation partners are not included in revenue.
Revenue from development of IT products and services
The Group provides IT systems development services to other companies. The IT services include programming works, infrastructure creation solutions, development of mobile applications. Revenue from services is recognised in the period when the services are provided. Revenue from consulting services and related costs shall be recognised based on the stage of completion of the transaction at the Balance Sheet date. If the outcome of the transaction related to the service cannot be reasonably estimated, revenue is recognised only to the extent that the recognised costs are recoverable.
Interest revenue from issued loans
The Group's subsidiaries are crediting companies, which provide consumer and study lending services. Interest revenue is recognised based on the accrual principle and on a monthly basis, regardless of receipt of actual payment. Interest revenue from issued loans is recognised in the initial repayment period, for which the loan was issued.
If the repayment period of the issued loan is extended, the Group recognises the interest revenue related to the period extension in the new repayment period. Revenue from commission fees for issue of loans is accounted at the amortised cost of receivables and is included in revenue on a monthly basis according to the loan repayment schedule.
Received fines and default interest
Fines and default interest are recognised in revenue at the moment of receiving a payment.
Income from assignment of issued loans
The Group sells the issued loans, recovery of which is considered hopeless. Profit or loss resulting from assignment transactions are recognised on the transaction date as net value between gained revenue and accounting value of assigned loans at the moment of assignment. Profit or loss from sales of loans is indicated at net value in the item "Other revenue from the economic activity" or "Other costs of the economic activity".

Financial aid and support, donations and gifts
The received financial support is included in the revenue of the reporting year in which the financial aid or financial support is received.

Expense recognition principles
Costs in the Profit and Loss Statement are specified on an accrual basis, taking into account the time of their occurrence.

Notes to the financial statements

Costs are initially recognised without value added tax (VAT). If it is impossible to fully recover VAT for received services or VAT calculated in accordance with the effective legislation, VAT is recognised in the respective expenditure item. This principle is applied also when VAT paid with respect to asset acquisition transaction cannot be recovered, and it is capitalised at the acquisition value of the respective asset.

Corporate income tax

Corporate income tax, in accordance with the requirements of the Law on Corporate Income Tax, consists of the corporate income tax calculated for the reporting year, which is recognised in the Profit and Loss Statement. Corporate income tax is calculated on distributed profit (dividends) and conditionally distributed profit, for which the corporate income tax base is increased.

Events after the Balance Sheet date

Only such events after the balance sheet date are presented in the financial statement which provide additional information on the Group's financial position at the balance sheet date (adjusting events). If events after the Balance Sheet date are not adjusting, they are disclosed in the notes to the financial statements only if they are material.

Related parties

Related parties are shareholders with significant influence on the Group, making decisions related to the core business, Members of the Board, a close family member of any private person stated above, as well as companies under control or significant influence of these persons.

Research and development activities and own stocks or shares

The Company has no research and development activities and it has not repurchased its shares in the reporting year.

Notes to the financial statements

3)
Net turnover

	2023 Eur	2022 Eur
Revenue from development of IT products and services	3 012 468	2 742 600
Revenue from loan intermediation services	2 508 360	2 451 148
Interest revenue from issued loans and term extensions	13 908 509	6 366 071
Received penalties and default interest	958 703	712 970
Revenue from programming services and IT management services	133 829	190 139
	20 521 869	**12 462 928**

Increase in net revenue in 2023 compared to 2022 is due to increase in interest revenue on loans issued to Spanish subsidiary and Polish subsidiary, as well as increase in provided IT services.

4)
Cost of sales

	2023 Eur	2022 Eur
Remuneration for work	3 880 948	3 349 406
Increase in provisions for doubtful lending loans	6 823 057	3 733 393
Premises rental costs	274 565	180 494
Costs of IT services	79 201	113 649
Commission fees for intermediation services	1 676 653	1 002 849
Database information costs	821 319	1 036 550
Loss from writing off of customer loans	1 566 714	360 611
Expenses for the use of co-financing platform	1 810 786	819 035
Amortization of intangible investments	310 430	184 690
Debt collection expenses	324 109	241 695
IT goods and related costs	16 925	5 584
Costs related to customer settlements	514 918	183 130
Depreciation of fixed assets	34 129	33 046
Commission fee for ensuring of payments	190 717	14 937
	18 324 471	**11 259 069**

In 2023, the number of employees increased significantly; therefore, also remuneration for work increased considerably. In the reporting year, also costs of provisions for doubtful lending loans increased significantly. The increase in sales costs in 2023 can be explained by the overall increase in turnover in 2023.

Notes to the financial statements

5)

Selling expense	**2023**	**2022**
	Eur	**Eur**
Amortization of intangible investments	5 907	11 086
Outdoor advertising and other sales costs	7 296	3 007
	13 203	**14 093**

6)

Administrative expense	**2023**	**2022**
	Eur	**Eur**
Office maintenance costs	140 265	159 797
Administration personnel costs	1 064 255	814 953
Professional services	659 824	433 676
Depreciation of fixed assets	6 089	4 767
Rental and maintenance of premises	85 798	62 240
Costs of IT services	237 271	157 685
Transport costs	12 527	3 632
Business trip costs	38 377	28 164
Commission fee for banking services	31 377	112 572
Representation costs	19 535	7 557
Insurance costs	34 757	22 516
Other administrative costs	37 302	47 097
	2 367 377	**1 854 656**

7)

Other operating income	**2023**	**2022**
	Eur	**Eur**
Net profit from sales of investment portfolios*	882 319	211 335
Revenue from customer attraction commission fees	232 669	191 131
State support for wages of employees	35 549	318
Net profit from sales of fixed assets	-	1 007
Revenue unrelated to the principal activity	407	16 830
Revenue from goodwill	12 389	-
Revenue from returned investment portfolios	238 742	-
Revenue from debt collection services	13 508	34 476
Net profit from exchange rate fluctuations	674 131	23 760
	2 089 714	**478 857**

* The gross value of sold portfolio is EUR 10,966,364, less reduction of the provisions for doubtful lending loans equalling EUR 10,121,494, which leads to net portfolio value of EUR 844,870. Revenue from net portfolio sales constitutes EUR 1,727,189, as a result of which the net profit from sales of the investment portfolio comprises EUR 882,319.

Notes to the financial statements

8)

Other operating expense	**2023**	**2022**
	Eur	**Eur**
Costs unrelated to the economic activity	36 126	7 455
Net loss from writing off of long-term investments	-	232 386
Net loss from sales of fixed assets*	150	-
Non-deductible VAT	58 099	9 734
Amortization of goodwill	472	-
Adjustment of reduction of tax paid abroad	-	2 140
Adjustments of receivables impairment	20 839	19 967
State duties and other insignificant economic costs	2 769	2 234
	118 455	**273 916**

***Information on profit or loss from alienation and liquidation of long-term investment objects**

No.	Long-term investment object	Balance value at the moment of exclusion	Gross revenue or expenses	Profit or loss from alienation of the object
		Eur	Eur	Eur
1	Other fixed assets and inventory	11 999	12 149	150
		11 999	**12 149**	**150**

9)

Other interest income and similar income	**2023**	**2022**
	Eur	**Eur**
Other revenue from interest	678	2 946
	678	**2 946**

10)

Interest and similar expense	**2023**	**2022**
	Eur	**Eur**
Interest payments for loans	880 993	377 591
Paid fines and contractual penalties	6 569	9 915
	887 562	**387 506**

Notes to the financial statements

11)

Intangible assets	**Concessions, patents, licences, trademarks and similar rights**	**Other intangible assets**	**Goodwill**	**Advance payments for intangible assets**	**Total**
	Eur	**Eur**	**Eur**	**Eur**	**Eur**
Initial value					
31.12.2022	60 053	823 466	-	1 140	884 659
Acquired	265	515 089	8 500	-	523 854
Reclassified	1 140	-	-	(1 140)	-
Exchange rate fluctuations	49	-	-	-	49
31.12.2023	61 507	1 338 555	8 500	-	**1 408 562**
Amortization					
31.12.2022	43 026	413 209	-	-	456 235
Calculated	5 907	310 430	472	-	316 809
Exchange rate fluctuations	49	-	-	-	49
31.12.2023	48 982	723 639	472	-	**773 093**
Remaining balance value 31.12.2022	**17 027**	**410 257**	**-**	**1 140**	**428 424**
Remaining balance value 31.12.2023	**12 525**	**614 916**	**8 028**	**-**	**635 469**

Since 2019, the Group ensures accounting of separate IT systems development and maintenance costs, thus meeting the capitalization criteria of internally developed intangible investments. The Group capitalises internal costs with respect to investments into management information systems and development of functionalities of loan accounting platforms.

12)

Property, plant and equipmer	**Other property, plant and equipment**	**Total**
	Eur	**Eur**
Initial value		
31.12.2022	265 897	265 897
Acquired	82 961	82 961
Written off	(14 353)	(14 353)
Exchange rate fluctuations	1 493	1 493
31.12.2023	335 998	**335 998**
Depreciation		
31.12.2022	199 126	199 126
Calculated	49 196	49 196
Written off	(12 223)	(12 223)
Exchange rate fluctuations	1 980	1 980
31.12.2023	238 079	**238 079**
Remaining balance value 31.12.2022	**66 771**	**66 771**
Remaining balance value 31.12.2023	**97 919**	**97 919**

Notes to the financial statements

13)

Other loans and other long-term receivables	**31.12.2023 Eur**	**31.12.2022 Eur**
Paid security deposits	69 889	62 976
	69 889	**62 976**

Other loans and other long-term receivables reflect security deposits provided by the Group's companies in relation to long-term lease of office premises.

14)

Other receivables	**31.12.2023 Eur**	**31.12.2022 Eur**
Claims arising from credit servicing intermediation *	3 495 741	3 804 723
Loans issued to customers	10 772 572	3 073 541
Customer portfolio sales claims	-	3 082
Advance payments made for services	19 822	6 185
Tax overpayment	26 945	32 302
Claims related to received loans	310	-
Short-term loans to employees**	23 036	8 481
Erroneous money transfers	1 872	1 699
Guarantee payments	7 693	-
Claims related to settlements	3 751	-
Operating lease advance payments ***	1 740	-
	14 353 482	**6 930 013**

* Claims arising from loan servicing are comprised of claims of the subsidiary in Poland against cooperation partners regarding amounts (loans) transferred to customers on their behalf.

Loans issued by the Group to customers (loan portfolio):

	31.12.2023	**31.12.2022**
Issued loans	13 623 100	4 795 899
Accrued interest revenue	1 341 352	936 828
Impairment	(4 191 880)	(2 659 186)
	10 772 572	**1 757 183**

** In 2022, the Company has granted a short-term loan to the Company employee with the annual interest rate of 4% in the amount of EUR 5,000. In 2023, the loan amount was increased to EUR 24,000. EUR 964 were repaid in the reporting year. The repayment deadline has been extended till 30 September 2024.

***Other receivables	**31.12.2023**			**31.12.2022**		
Operating lease advance payments	**Long-term share Eur**	**Short-term share Eur**	**Total Eur**	**Long-term share Eur**	**Short-term share Eur**	**Total Eur**
Transporent, SIA	6 278	1 740	**8 018**	-	-	-
	6 278	**1 740**	**8 018**	-	-	-

Notes to the financial statements

15)

Prepaid expense	**31.12.2023**	**31.12.2022**
	Eur	**Eur**
IT services	13 192	15 125
Insurance costs	8 925	5 156
Personnel training costs	1 051	1 931
Membership fee	74 831	-
Subscription and other expenses	-	41 996
	97 999	**64 208**

16)

Cash	**31.12.2023**	**31.12.2022**
	Eur	**Eur**
Cash deposited at the bank	1 938 142	904 727
Cash in the treasury	533	533
	1 938 675	**905 260**

17)

Share capital (fixed capital) and Share issue markup

At the beginning of 2021, the share capital value of the Group's Parent Company constituted EUR 3,003, comprised of 3,003 capital shares with value of one share EUR 1.

In December 2021, the share capital of the Group's Parent Company was increased by two issues of capital shares, issuing 400 new capital shares with par value of one share EUR 1. Paying up of shares was done by cash in the amount of EUR 400. Share issue markup was paid with cash in the amount of EUR 3,004,550 and the remaining part was covered by capitalising a loan of EUR 2,440,050.

In December 2022, the Group's Parent Company increased its share capital, issuing 350 new capital shares with par value of one share EUR 1 and issue markup of EUR 3,385,900. Paying up of shares was done by capitalising claim rights in the amount of EUR 3,386,250. As a result, the share capital of the Group's Parent Company at the end of the reporting year 2022 was EUR 3,753, comprised of 3,753 shares with par value of one share EUR 1 and share issue markup of EUR 10,033,797.

In December 2023, the Group's Parent Company increased its share capital, issuing 250 new capital shares with par value of one share EUR 1 and issue markup of EUR 2,299,750. Paying up of shares was done by money transfer in the amount of EUR 3,389,250. As a result, the share capital of the Group's Parent Company at the end of 2023 is EUR 4,003, comprised of 4,003 shares with par value of one share EUR 1 and share issue markup of EUR 12,333,547.

Notes to the financial statements

18)
Other loans

	31.12.2023			31.12.2022		
	Long-term share Eur	**Short-term share Eur**	**Total Eur**	**Long-term share Eur**	**Short-term share Eur**	**Total Eur**
From legal entities	4 484 619	5 564 794	10 049 413	4 257 138	408 208	4 665 346
From natural persons	920 000	120 000	1 040 000	80 000	-	-
Interest calculated on the received loan	-	77 410	77 410	303 411	1 636	305 047
	5 404 619	**5 762 204**	**11 166 823**	**4 640 549**	**409 844**	**4 970 393**

The Group has received several loans from legal entities and a natural person:

1. In 2019, the Group concluded an assignment agreement with a legal entity on taking over of claim rights against the subsidiary Swaper SIA in the amount of EUR 187,475. In accordance with the concluded agreement the annual interest rate is 15%. In 2021, the borrowing was executed as a credit facility with the credit limit of EUR 500,000 and its repayment term was set at 31 December 2024. The total outstanding loan amount at the end of the reporting year was EUR 322,966. The loan is not secured with any pledge or guarantee.

2. In 2019, the Group concluded an assignment agreement with a legal entity on taking over of claim rights against the subsidiary Swaper SIA in the amount of EUR 848,380. In 2021, the assignment repayment term was extended till 23 February 2023. In 2022, all the liabilities arising from the assignment agreement were novated, transforming them into credit facility liabilities with a credit limit of EUR 1,459,486 and its repayment term set at 31 December 2024. In January 2022, the annual interest rate was set at 16%. The loan is not secured with any guarantee or pledge.
Interest in the amount of EUR 58,185 has been repaid in the reporting year. The total outstanding loan amount constitutes EUR 1,457,810 as at 31.12.2023.

3. In 2021, the Group took over from the legal entity borrowing liabilities of subsidiary in the amount of EUR 461,982. The applied interest rate is 2.79% and the final repayment term is 31.12.2024. The loan is not secured with any guarantee or pledge.
The loan has been partially repaid in the amount of EUR 177,285 in the reporting year. As a result, the total outstanding loan amount constitutes EUR 100,359 as at 31.12.2023. The loan was fully repaid in 2024.

4. In 2022, the Group concluded a loan agreement with a legal entity with the loan amount of EUR 200,000. According to the loan agreement the loan repayment terms is 30.09.2024 and the applied interest rate is 18.50%. The loan is not secured with any pledge or guarantee.
The total outstanding borrowing amount together with the accrued interest constitutes EUR 256,375 as at 31.12.2023.

5. In 2022, the Group concluded two loan agreements with a legal entity with the loan amount of EUR 100,000 each. According to the loan agreements the loan repayment terms are 12.08.2023 and 14.12.2023, the applied interest rate is 16% and the interest payment shall be made on a monthly basis. The loans are not secured with any guarantee or pledge.
Another two loan agreements for the total amount of EUR 300,000 were concluded with the legal entity in the reporting year with the interest rate of 16% and interest payments shall be made on a monthly basis, with the loan repayment deadlines set at 02.02.2024 and 06.06.2024. On 18.12.2023, all loans granted by the legal entity were combined into one agreement and the total loan amount was increased by EUR 100,000, with the loan interest rate of 16% payable on a monthly basis, and the loan shall be fully repaid on 31.12.2024. The total outstanding loan amount together with the accrued interest constitutes EUR 506,378 as at 31.12.2023.

Notes to the financial statements

6. In 2022, the Group concluded a loan agreement with a legal entity with the loan amount of EUR 200,000. According to the loan agreement the loan repayment term is 31.10.2023 and the applied interest rate is 18%. The loan is not secured with any guarantee or pledge.
In 2023, the repayment deadline was extended to 31.01.2024. The loan has been partially repaid in the amount of EUR 149,305 in the reporting year. The total outstanding loan amount together with the accrued interest constitutes EUR 100,100 as at 31.12.2023. The loan was fully repaid in 2024.

7. In 2022, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 600,000. According to the credit facility agreement the repayment term is 31.05.2024 and the applied interest rate is 18.5%.
The loan is not secured with any guarantee or pledge.
The loan has been partially repaid in the amount of EUR 546,783 in the reporting year. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 63,782 as at 31.12.2023. The credit facility was fully repaid in 2024.

8. In 2022, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 80,000. According to the credit facility agreement the repayment term is 17.11.2024 and the applied interest rate is 16%. The accrued interest shall be paid twice a year in May and November. The loan is not secured with any guarantee or pledge. The loan has been partially repaid in the amount of EUR 13,333 in the reporting year, and the credit facility has been increased by EUR 20,000.

9. In 2022, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 500,000. According to the credit facility agreement the repayment term is 31.12.2024 and the applied interest rate is 17%. The loan is not secured with any guarantee or pledge.
The loan has been partially repaid in the amount of EUR 32,434 in the reporting year. The total outstanding credit facility amount constitutes EUR 562,985 as at 31.12.2023.

10. In 2022, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 50,000. According to the credit facility agreement the repayment term is 08.12.2024 and the applied interest rate is 18%. The interest shall be paid on a monthly basis. The loan is not secured with any guarantee or pledge.
In the reporting year, the credit facility was increased by EUR 50,000. The total outstanding credit facility amount constitutes EUR 100,000 as at 31.12.2023.

11. In 2023, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 100,000. According to the credit facility agreement the repayment term is 31.12.2024 and the applied interest rate is 15%. The loan is not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 100,000 were received. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 106,929 as at 31.12.2023.

12. In 2023, the Group concluded two credit facility agreements with a legal entity with the credit limit of each agreement equalling EUR 1,000,000. According to the credit facility agreements the repayment terms are 04.08.2025 and 08.12.2025 and the applied interest rates are 21% and 21.5% respectively. The loans are not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 2,000,000 in total were received under both agreements. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 2,106,740 as at 31.12.2023.

13. In 2023, the Group concluded a loan agreement with a legal entity with the loan amount of EUR 20,000. According to the loan agreement the loan repayment term is 30.09.2028 and the applied interest rate is 19%. Interest payments are made each calendar month. The loan is not secured with any guarantee or pledge. The total outstanding borrowing amount together with the accrued interest constitutes EUR 20,943 as at 31.12.2023.

14. In 2023, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 100,000. According to the credit facility agreement the repayment term is 30.09.2033 and the applied interest

rate is 19%. The loan is not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 100,000 were received. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 103,899 as at 31.12.2023.

15. In 2023, the Group concluded two credit facility agreements with a legal entity with the credit limit of each agreement equalling EUR 350,000 and EUR 300,000 respectively. According to the credit facility agreements the repayment terms are 04.04.2025 and 31.10.2026 and the applied interest rates are 18% and 20%. Interest payments are made on a monthly basis. The loans are not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 650,000 in total were received under both agreements. The outstanding credit facility borrowing amount constitutes EUR 650,000 as at 31.12.2023.

16. In 2023, the Group concluded a loan agreement with a legal entity with the loan amount of EUR 150,000. According to the loan agreement the loan repayment term is 30.09.2025 and the applied interest rate is 17%. Interest payments are made on a monthly basis. The loan is not secured with any guarantee or pledge. The total outstanding borrowing amount together with the accrued interest constitutes EUR 150,000 as at 31.12.2023.

17. In 2023, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 20,000. According to the credit facility agreement the repayment term is 01.07.2025 and the applied interest rate is 16%. Interest payments are made once a year. The loan is not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 20,000 were received. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 21,653 as at 31.12.2023.

18. In 2023, the Group concluded a credit facility agreement with a natural person with the credit limit of EUR 100,000. According to the credit facility agreement the repayment term is 30.06.2026 and the applied interest rate is 20%. Interest payments are made once every six months. The loan is not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 100,000 were received. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 100,222 as at 31.12.2023.

19. In 2023, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 100,000. According to the credit facility agreement the repayment term is 30.09.2025 and the applied interest rate is 17%. Interest payments are made on a monthly basis. The loan is not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 100,000 were received. The outstanding credit facility borrowing amount constitutes EUR 100,000 as at 31.12.2023.

20. In 2023, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 20,000. According to the credit facility agreement the repayment term is 04.03.2024 and the applied interest rate is 18%. Interest payments are made on a monthly basis. The loan is not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 20,000 were received. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 20,000 as at 31.12.2023. The loan was fully repaid in 2024.

21. In 2023, the Group concluded a loan agreement with a legal entity with the loan amount of EUR 100,000. According to the loan agreement the loan repayment term is 16.06.2024 and the applied interest rate is 17%. Interest payments are made on a monthly basis. The loan is not secured with any guarantee or pledge. The total outstanding borrowing amount together with the accrued interest constitutes EUR 101,464 as at 31.12.2023.

22. In 2023, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 160,000. According to the credit facility agreement the repayment term is 31.03.2024 and the applied interest rate is 17%. Interest payments are made on a monthly basis. The loan is not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 160,000 were received. The total

outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 160,000 as at 31.12.2023.

23. In 2023, the Group concluded two credit facility agreements with a legal entity with the credit limit of each agreement equalling EUR 20,000. According to the credit facility agreements the repayment term of both agreements is 14.11.2025 and the applied interest rate of both agreements is 18%. Interest payments are made on a monthly basis. The loans are not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 40,000 in total were received under both agreements. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 40,000 as at 31.12.2023.

24. In 2023, the Group concluded a credit facility agreement with a legal entity with the credit limit of EUR 10,000,000. According to the credit facility agreement the repayment term is 31.12.2028 and the applied interest rate is 20%. The loan is not secured with any guarantee or pledge. In the reporting year, credit facility payments equal to EUR 2,450,000 were received. The total outstanding credit facility borrowing amount together with the accrued interest constitutes EUR 2,021,234 as at 31.12.2023.

25. In 2023, the Group concluded a credit facility agreement with a legal entity with the repayment term set at 31 December 2028 and the applied interest rate 15%. The Group received a loan in the amount of EUR 8,290,000 under the credit facility. The total outstanding credit facility loan amount constitutes EUR 8,319,507 as at 31.12.2023. The credit facility was fully repaid in 2024.

26. According to the Swaper platform operation and liabilities transfer agreement concluded in 2019 the Group assumed the borrowing liabilities in the amount of EUR 3,551,375. The applied interest rate is 2.79% and the final repayment term is 31.12.2024. The loan is not secured with any guarantee or pledge.
The outstanding total borrowing amount at the beginning of the reporting year constituted EUR 1,655,843. Partial repayment of the loan was made in the reporting year, as a result of which the total outstanding loan amount comprises EUR 1,416,086 as at 31.12.2023.

As regards events after the end of the reporting year, see Note 23.

19)

Other payables	**31.12.2023**	**31.12.2022**
	Eur	**Eur**
Co-financing platform usage liabilities	3 448 394	3 054 000
Wage settlements	228 715	248 061
Prepayments and overpayments received from customers	325 161	32 562
	4 002 270	**3 334 623**

The liabilities of use of co-financing platform are comprised of payments received from the co-financing platform administered by Swaper Platform Ou.

20)

Accrued liabilities	**31.12.2023**	**31.12.2022**
	Eur	**Eur**
Accrued leave costs	275 021	193 432
Accrued liabilities towards suppliers	75 325	119 879
	350 346	**313 311**

Notes to the financial statements

21)
Personnel expenses and number of employees

Average number of employees	**2023**	**2022**
Number of employees in the reporting year	**125**	**98**
incl. Members of the Board	1	1
Other employees	124	97

Remuneration for fulfilment of functions	**2023 Eur**	**2022 Eur**
to Members of the Board	172 601	158 396

Personnel costs	**2023 Eur**	**2022 Eur**
Remuneration for work	4 433 857	3 270 448
State social insurance costs	982 374	700 875
Other social security costs	50 814	36 032
	5 467 045	**4 007 355**

22)
Recommendation for profit distribution

The Board of the Group's Parent Company recommends to use the profit of the reporting year for covering loss of the previous years.

23)
Events after the end of the reporting year

After the end of the reporting year, the Group has received an extra-group loan of EUR 14,734,921 and has made repayment of the loan in the amount of EUR 4,813,754.
In 2024, the Group has concluded several credit facility agreements with the total credit limit of EUR 2,370,000 and several loan agreements with the total loan amount of EUR 2,480,000 and repayment periods from one to four years.
After the Balance Sheet date, the Group has established a subsidiary in Poland with the share capital of EUR 23,978.
In the period of time between the last day of the reporting year and the day when the management signs the Annual Report there have not occurred any significant or extraordinary circumstances that would affect the yearly results and the Company's financial standing.

Krišjānis Znotiņš Chairperson of the Board	Irita Siņuka Chief Accountant

17 October 2024

THE ELECTRONIC SIGNATURE OF THE CHAIRMAN OF THE BOARD APPLIES TO THE MANAGEMENT REPORT ON PAGE 6 AND 8 OF THE ANNUAL REPORT AND THE STATEMENT OF MANAGEMENT'S RESPONSIBILITY ON PAGE 9, AND THE ANNUAL REPORT AS A SINGLE DOCUMENT FROM PAGE 10 TO PAGE 33.

THE ELECTRONIC SIGNATURE OF THE PERSON IN CHARGE OF ACCOUNTING APPLIES TO THE ANNUAL REPORT AS A SINGLE DOCUMENT FROM PAGE 10 TO PAGE 33.

THE DOCUMENT HAS BEEN SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP

Independent Auditor’s Report

To the shareholder(s) of the SIA “Wandoo Finance”

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SIA “Wandoo Finance”, reg. No. 40103970112, (“the Company”) and its subsidiaries (“the Group”) set out on pages 10 to 33 of the accompanying consolidated annual report, which comprise:

- the consolidated balance sheet as at 31 December 2023,
- the consolidated profit and loss statement for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Company and its subsidiaries as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the ‘Law On the Annual Reports and Consolidated Annual Reports’ of the Republic of Latvia.

Basic for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the *Audit of the Consolidated Financial Statements section of our report.*

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

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

Reporting on Other information

The Company’s management is responsible for the other information. The other information comprises:

- Information about the Group, as set out on page 05 to page 05 of the accompanying consolidated Annual Report,
- the Management Report, as set out on page 06 to page 08 of the accompanying consolidated Annual Report.
- Statement on management responsibility, as set out on page 09 of the accompanying consolidated Annual Report.

Our opinion on the consolidated financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia section of our report.*

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.

If, based on the work we have performed and in light of the knowledge and understanding of the Group and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 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.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are 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 is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- 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 a fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain 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.

Sworn auditors' commercial company
SIA "Sandra Dzerele un partneris"
License No. 38

Sandra Dzerele
Chair of the Board
Responsible sworn auditor
Certificate No. 82

Riga, Latvia, 17 October 2024
The Translation of the Report provided in the Latvian language

THE DOCUMENT HAS BEEN SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP