

An aerial photograph of a tropical coastline. The top half shows clear, turquoise water meeting a white sandy beach. The bottom half shows a dense line of green trees and bushes along the shore. A large white arrow shape is overlaid on the right side of the image, pointing towards the right.

Wandoo

**SIA Wandoo Finance
Consolidated Annual
Report for 2024**

Riga, 2025

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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, NACE code 64.2 Development of IT systems and provision of IT development and programming services to other companies, NACE code 62.1
Board of the Parent Company	
Chairperson of the Board	Krišjānis Znotiņš, Member of the Board from 13.11.2023 to 17.11.2023, sole representation rights Chairperson of the Board from 17.11.2023 to 11.12.2024, sole representation rights
Chairperson of the Board	Iveta Brūvele, from 11.12.2024, sole representation rights
Annual Report prepared by	Irita Siņuka, Chief Accountant at SIA Wandoo Finance
Reporting year	January 1, 2024 – December 31, 2024
Auditor's name and address	SIA SANDRA DZERELE UN PARTNERIS Commercial Company of Sworn Auditors Registration No. 40003476595 Licence No. 38. Address: Vīlandes iela 7-1 Rīga, LV-1010 Latvia Sworn Auditor in Charge Olga Bobrova Certificate No. 170.

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 2024
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 2024
Participating interest of the Parent Company	99%
Name of the Company	Free IV, 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 2024
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 2024
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 2024
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 2024
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 2024
Participating interest of the Parent Company	99.99%

Information on subsidiaries involved in the consolidation (continued)

Name of the Company	Wandoo Finance 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 2024
Participating interest of the Parent Company	100%
Name of the Company	Wandoo Risk Management, SIA
Registration number, place and date	40203596699, established on 17 October 2024
Address	K.Ulmaņa gatve 119, Mārupes nov., LV-2167, Latvia
Reporting year	17 October–31 December 2024
Participating interest of the Parent Company	100%
Name of the Company	Avinto Risk Management Sp. z o.o.
Registration number, place and date	0001037169, established on 19 May 2023
Address	Grzybowska 4/13, 00-131, Warsaw, Poland
Reporting year	1 January–31 December 2024
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 2024
Participating interest of the Parent Company	100%

Management Report to the Consolidated Annual Report for 2024**General description
of the Group**

Wandoo Finance (the Group) is a growing and globally oriented financial services group established in 2016 with its headquarters in Riga, Latvia. The Group comprises the Parent Company SIA Wandoo Finance, which provides the Group's centralised operations and strategic management and IT system services to nine subsidiaries in seven countries.

The Group has three active markets – Poland, Spain and Romania – where it provides retail financial services in the field of consumer lending with a focus on short-term loans. The Group's business model is based on innovative financial technologies, complemented by unique machine learning solutions that enable almost full automation of the loan granting and decision-making process. Thanks to the centralised management and technology scalability, the model can be adapted and deployed in any market and jurisdiction globally according to the specific characteristics of each market.

The Group and its subsidiaries strictly comply with each country's regulatory framework and advocate responsible lending. Before granting of loans, customers' ability to pay is carefully assessed using data-driven and artificial intelligence-based assessment models that protect customers' legitimate interests and rights, promote long-term trust and understanding of financial services in general.

Since its establishment, the Group's companies have issued more than EUR 500 million in loans and have a registered customer portfolio of more than 1.5 million consumers. The Group employs more than 120 industry professionals who take care of day-to-day processes and business continuity, combining international experience with local understanding of the operating markets.

**Financial
performance results
and financial position**

The Group closed the year 2024 with profit in the amount of EUR 2,042,682. Consequently, the profit of the Group increased by 392.5% or EUR 1,627,917 compared to 2023.

Total net turnover in 2024 increased by 69.5% compared to 2023, due to a 104% increase in interest revenue on loans granted, as well as development of a new service by entering credit default swaps.

Upon the net turnover increasing, also the service acquisition costs related to the principal activity have increased by 41.3%. In 2024, compared to 2023, the increase in the customer portfolio of the subsidiaries led to a significant increase by EUR 4,628,094 or 67.3% in the provision costs for doubtful lending loans. There is also a significant increase by 84.4% or EUR 1,416,128 in 2024, compared to 2023, in commission fees for intermediation services, as well as a 59% increase in costs related to customer settlements. Debt collection services have increased by 61.6% in 2024, compared to 2023.

Also increase in administrative costs by EUR 1,017,714 or 42.9% can be observed in 2024, compared to 2023, which can be explained by increase in costs of professional services by EUR 384,852 or 58%, as well as in administration personnel costs by EUR 221,365 or 20.8%. The increase in the number of employees led to a 52.7% or EUR 73,890 increase in office maintenance costs.

Management Report to the Consolidated Annual Report for 2024 (continued)**Financial performance results and financial position**
(continued)

In the reporting year, investment was made in development of the Group's image awareness, which resulted in a very significant increase in representation costs by EUR 104,838.

It is planned that also in the following years the Group will operate with profit because 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 – private 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 position 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's management is committed to continued organic business growth, expanding its offering with new financial products and stimulating controlled credit growth on existing markets. The plan is to almost double the scale of the business over the next few years and scenarios are being explored to enter one to two new markets each year, with a primary focus on strong and growing economies in the European, Caucasus and South American regions.

Short- and medium-term priorities also include controlling administrative costs, improving the efficiency of operations, managing risks related to currency fluctuations, further improving the quality of the portfolio and enhancing the quality and accessibility of products offered to consumers.

Management Report to the Consolidated Annual Report for 2024 (continued)**Further development of the Group and validity of the going concern assumption (continued)**

These measures are expected to significantly enhance the Group's profitability, diversify the risks of the core business and provide shareholders with sustainable and attractive returns on capital, while creating an economically inclusive financial framework on the operating markets.

At the same time, in 2025 the Group's management plans to continue diversification of its capital raising structure by exploring various channels of financing, including assessing opportunities to tap into the Baltic capital market with debt securities. This will help to reduce the risks and costs of raising capital and contribute to the growth and dynamics of the domestic capital market.

These financial statements have been prepared following the going concern principle. The Group closed the year 2024 with profit.

Aggregate of the Company's own shares

The Group's Parent Company has neither redeemed, nor sold its shares in the reporting year.

Branches and representative offices abroad

The Group does not have representative offices or branches abroad.

Recommendation for profit distribution

The Board of the Group's Parent Company recommends using 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 2025, 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 end of the reporting year, the Group sold 10.31% of shares in its Polish subsidiary for EUR 500,000, settling its contractual obligations with the lender.

On 4 June 2025, a subsidiary of the Group registered in Latvia was liquidated.

In the period 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 events that would affect the annual results and the Company's financial position.

Iveta Brūvele

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 2024, their application was consistent, and 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.

Iveta Brūvele
Chairperson of the Board

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Consolidated Profit or Loss Statement for 2024

	Notes	2024 EUR	2023 EUR
Net turnover	3	34,779,778	20,521,869
Cost of sales	4	(25,888,706)	(18,324,471)
Gross profit		8,891,072	2,197,398
Selling expenses	5	(378,874)	(13,203)
Administrative expenses	6	(3,385,091)	(2,367,377)
Other operating income	7	3,059,765	2,089,714
Other operating expenses	8	(320,142)	(118,455)
Interest and similar income	9	1,351	678
Interest and similar expenses	10	(4,001,213)	(887,562)
Profit before corporate income tax		3,866,868	901,193
Corporate income tax for the reporting year		(1,823,169)	(494,638)
Profit after corporate income tax		2,043,699	406,555
Profit for the year		2,042,682	414,765
Share of profit or loss of minority shareholders		1,017	(8,210)

Notes from Page 15 to 32 are an integral part of these financial statements.

Iveta Brūvele
Chairperson of the Board

Irita Siņuka
Chief Accountant

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Consolidated Balance Sheet as at 31 December 2024

ASSETS	Notes	31.12.2024	31.12.2023
		EUR	EUR
Non-current assets			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		8,179	12,525
Other intangible assets		670,279	614,916
Goodwill		7,176	8,028
Total intangible assets	11	685,634	635,469
Fixed assets			
Other fixed assets and equipment		130,828	97,919
Total fixed assets	12	130,828	97,919
Non-current financial investments			
Other loans and non-current receivables	13,14	165,897	76,167
Total non-current financial investments		165,897	76,167
Total non-current assets		982,359	809,555
Current assets			
Receivables			
Trade receivables		1,305,891	5,881,891
Other receivables	14	32,329,351	14,353,482
Deferred expenses	15	80,542	97,999
Total receivables		33,715,784	20,333,372
Cash and bank	16	5,014,266	1,938,675
Total current assets		38,730,050	22,272,047
Total assets		39,712,409	23,081,602

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Chief Accountant

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Consolidated Balance Sheet as at 31 December 2024

LIABILITIES	Notes	31.12.2024	31.12.2023
		EUR	EUR
Equity			
Share capital	17	4,003	4,003
Share premium	17	12,333,547	12,333,547
Reserves:			
Foreign currency revaluation reserve		91,357	72,439
Retained earnings			
Previous year's accumulated losses		(7,520,378)	(7,935,143)
Current year's profit		2,042,682	414,765
<i>Total retained earnings</i>		<i>(5,477,696)</i>	<i>(7,520,378)</i>
Participating interest of minority shareholders		1,210	193
Total equity		6,952,421	4,889,804
Payables			
Non-current payables			
Other loans	18	28,172,386	5,404,619
Total non-current payables		28,172,386	5,404,619
Current payables			
Other loans	18	802,980	5,762,204
Trade payables		1,050,146	1,852,328
Taxes and mandatory state social insurance contributions		1,825,207	820,031
Other payables	19	496,464	4,002,270
Accrued liabilities	20	412,805	350,346
Total current payables		4,587,602	12,787,179
Total payables		32,759,988	18,191,798
Total liabilities		39,712,409	23,081,602

Notes from Page 15 to 32 are an integral part of these financial statements.

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Chief Accountant

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Consolidated Statement of Changes in Equity

Types of changes	Share capital	Share premium	Foreign currency revaluation reserve	Retained earnings	Participating interest of minority shareholders	Equity
	EUR	EUR	EUR	EUR	EUR	EUR
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) for the reporting period	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
Profit for the reporting period	-	-	-	2,042,682	1,017	2,043,699
Increase for the reporting period	-	-	18,918	-	-	18,918
Balance as at 31.12.2024	4,003	12,333,547	91,357	(5,477,696)	1,210	6,952,421

Notes from Page 15 to 32 are an integral part of these financial statements.

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Consolidated Cash Flow Statement

	31.12.2024	31.12.2023
	EUR	EUR
Cash flow from operating activities		
Profit before tax	3,866,868	901,193
<i>Adjustments:</i>		
- Fixed assets depreciation	56,623	40,218
- Intangible assets amortisation	415,003	316,337
- Profit or loss from foreign currency exchange rate fluctuations	(138,190)	10,799
- Interest expenses	3,908,320	880,993
- Interest income	(1,351)	(678)
- Net loss from disposal of investments	1,211	150
- Current and non-current financial investment impairment	11,451,151	6,823,057
Cash flow from operating activities before changes in current assets	19,559,635	8,972,069
<i>Adjustments:</i>		
- Increase of receivables	(24,873,382)	(16,336,659)
- (Decrease) / increase of payables	(4,614,870)	1,472,342
Gross cash flow from operating activities	(9,928,617)	(5,892,248)
- Interests paid	(3,682,060)	(288,242)
- Corporate income tax paid	(536,301)	(8,049)
Net cash flow from operating activities	(14,146,978)	(6,188,539)
Cash flow from investing activities		
- Acquisition of fixed assets and intangible assets	(558,766)	(587,860)
- Proceeds from disposal of fixed assets	4,208	-
- Loans issued	(50,000)	(19,000)
- Received repayments of the issued loans	440	4,748
- Interest received	1,000	74
Net cash flow from investment activities	(603,118)	(602,038)
Cash flow from financing activities		
- Proceeds from increase in share capital	250	2,300,000
- Received loans	26,740,000	6,880,000
- Repayments of borrowings	(8,914,421)	(1,356,008)
Net cash flow from financing activities	17,825,829	7,823,992
Fluctuations of foreign currency exchange rates	(142)	-
Net change in cash and cash equivalents	3,075,591	1,033,415
Cash and cash equivalents at the beginning of the period	1,938,675	905,260
Cash and cash equivalents at the end of the period	5,014,266	1,938,675

Notes from Page 15 to 32 are an integral part of these financial statements.

Iveta Brūvele
Chairperson of the Board

Irita Siņuka
Chief Accountant

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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
Wandoo Finance 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
Avinto Risk Management Sp. z o.o.	100	19 May 2023
SIA Wandoo risk management, K.Ulmaņa gatve 119, Mārupes nov., LV-2167, Latvia	100	17 October 2024

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 and 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 2024 till 31 December 2024.

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 framework of preparation of the financial statements (continued)

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

The financial statements give a true and fair view of the assets, liabilities, financial position, 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 Report 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 the financial statements.

Going concern basis

These financial statements have been prepared following the going concern principle. The Group closed the year 2024 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 2024.

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, profit and loss data is calculated by applying the average exchange rate,

The applied average foreign currency exchange rates:

	31.12.2024	31.12.2023
	EUR	EUR
GEL	2.97050	2.97050
DKK	7.46000	7.45290
PLN	4.26550	4.33950
RON	4.97650	4.97560

Foreign currency revaluation (continued)

2) The applied currency exchange rates at the end of the reporting period:

	31.12.2024	31.12.2023
	EUR	EUR
GEL	2.85080	2.85080
DKK	7.45090	7.45090
PLN	4.27500	4.54120
RON	4.97430	4.93130

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

Currency exchange rate differences arising from settlement in currencies or reflecting assets and liabilities items using currency exchange rates that differ from the currency 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, trademarks 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 investments

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.

Intangible assets (continued)

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 operating revenue".

Fixed assets

Fixed assets 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 fixed assets the value of which exceeds EUR 200 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 operating expenses.

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.

Other receivables (continued)***Impairment of loans issued by the Group (continued)***

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.

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.

Accrued liabilities (continued)

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 a substantial risk that additional expenses will be incurred in future. Contingent assets are not recognised in these financial statements, yet they are reflected only when the possibility that economic benefits related to the transaction will reach the Group is sufficiently substantiated.

Financial liabilities, issued guarantees, and other contingent liabilities and guarantees not included in the Balance Sheet*Sureties and guarantees*

The Group has no financial liabilities, issued guarantees or other contingent 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 operational 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 annual costs equalling EUR 270,138. The subsidiary in Denmark 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.

Revenue recognition

Revenue is recognised based on assurance that the Group will derive future economic benefits and to the extent that revenue 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 loan intermediation services

The Group provides loan 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.

Revenue recognition (continued)***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 penalties and default interest

Penalties 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 book 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 operating revenue" or "Other operating expenses".

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.

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 statements 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 treasury stock and shares

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

3) Net turnover

	2024	2023
	EUR	EUR
Revenue from development of IT products and services	397,733	3,012,468
Revenue from loan intermediation services	3,545,625	2,508,360
Interest revenue from issued loans and term extensions	28,374,986	13,908,509
Revenue from credit default swaps	1,017,518	-
Received penalties and default interest	1,373,228	958,703
Revenue from programming services and IT management services	70,688	133,829
	34,779,778	20,521,869

The increase in net revenue in 2024, compared to 2023, is due to an increase in the customer portfolio and an increase in interest revenue on loans granted by the Spanish subsidiary and the Polish subsidiary. The increase in net turnover was also driven by the introduction of a new service at the Latvian subsidiary, allowing it to enter into credit default swaps with other companies providing lending services.

4) Cost of sales

	2024	2023
	EUR	EUR
Remuneration for work	4,811,730	3,880,948
Increase of provisions for doubtful loans	11,451,151	6,823,057
Premises lease costs	238,058	274,565
IT service costs	123,959	79,201
Commission fees for intermediation services	3,092,781	1,676,653
Costs of database information	988,020	821,319
Loss from writing off customer loans	1,596,872	1,566,714
Expenses for use of co-financing platform	1,590,772	1,810,786
Amortisation of intangible investments	409,804	310,430
Debt collection expenses	523,852	324,109
Costs of IT goods and related costs	1,081	16,925
Costs related to customer payment settlements	818,741	514,918
Depreciation of fixed assets	48,945	34,129
Commission fee for ensuring of payments	192,940	190,717
	25,888,706	18,324,471

In 2024, the number of granted loans and the customer portfolio grew significantly, resulting in an increase in the provision costs for doubtful lending loans. In 2024, the number of employees increased; therefore, also remuneration for work increased.

5) Selling expenses

	2024	2023
	EUR	EUR
Amortisation of intangible investments	4,347	5,907
Outdoor advertising and other sales costs	374,527	7,296
	378,874	13,203

6) Administrative expenses

	2024	2023
	EUR	EUR
Office maintenance costs	214,155	140,265
Administration personnel costs	1,285,620	1,064,255
Professional services	1,044,676	659,824
Depreciation of fixed assets	7,678	6,089
Rent and maintenance of premises	79,415	85,798
IT service costs	389,850	237,271
Transportation costs	23,665	12,527
Business trip costs	84,281	38,377
Commission fee for banking services	50,599	31,377
Representation costs	124,373	19,535
Membership fee in organizations	21,278	-
Insurance costs	45,909	34,757
Other administrative costs	13,592	37,302
	3,385,091	2,367,377

7) Other operating revenue

	2024	2023
	EUR	EUR
Net profit from sale of investment portfolios*	1,138,774	882,319
Revenue from customer attraction commission fees	1,270,030	232,669
State aid for salaries of employees	-	35,549
Non-core business revenue	1,212	407
Revenue from goodwill	-	12,389
Net revenue from creditor write-off	3,941	-
Revenue from returned investment portfolios	446,468	238,742
Revenue from debt recovery services	61,150	13,508
Net profit from currency exchange rate fluctuations	138,190	674,131
	3,059,765	2,089,714

* The gross value of sold portfolio is EUR 9,427,940, less reduction of the provisions for doubtful lending loans equalling EUR 8,303,062, which leads to net portfolio value of EUR 1,124,878. Revenue from net portfolio sales constitutes EUR 2,263,652, as a result of which the net profit from sales of the investment portfolio comprises EUR 1,138,774.

8) Other operating expenses

	2024	2023
	EUR	EUR
Non-operating expenses	64,706	36,126
Net losses from debtor write-off	10,022	-
Net losses from the sale of fixed assets	1,211	150
Non-deductible VAT	226,125	58,099
Amortisation of goodwill	852	472
Receivables impairment adjustments	4,234	20,839
Stamp duties and other minor operating expenses	12,992	2,769
	320,142	118,455

*Information about the profit or loss from disposal and liquidation of long-term investment objects

No.	Long-term investment object	Net value at the moment of exclusion	Gross revenue or expenses	Profit or loss from the object disposal
		EUR	EUR	EUR
1	Other fixed assets and equipment	4,208	2,997	(1,211)
		4,208	2,997	(1,211)

9) Interest and similar income

	2024	2023
	EUR	EUR
Other interest income	1,351	678
	1,351	678

10) Interest and similar expenses

	2024	2023
	EUR	EUR
Interest on loans	3,908,320	880,993
Paid penalties and contractual penalties	92,893	6,569
	4,001,213	887,562

11) Intangible assets

	Concessions, patents, licences, trademarks and similar rights	Other intangible assets	Goodwill	Total
	EUR	EUR	EUR	EUR
Acquisition cost				
31.12.2023	61,507	1,338,555	8,500	1,408,562
Acquired	-	465,167	-	465,167
Disposals	(17,400)	-	-	(17,400)
Currency rate fluctuations	10	-	-	10
31.12.2024	44,117	1,803,722	8,500	1,856,339
Depreciation				
31.12.2023	48,982	723,639	472	773,093
Charge for 2024	4,347	409,804	852	415,003
Disposals	(17,400)	-	-	(17,400)
Currency rate fluctuations	9	-	-	9
31.12.2024	35,938	1,133,443	1,324	1,170,705
Net book value				
31.12.2023	12,525	614,916	8,028	635,469
Net book value				
31.12.2024	8,179	670,279	7,176	685,634

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) Fixed assets

	Other fixed assets and equipment EUR	Total EUR
Acquisition cost		
31.12.2023	335,998	335,998
Acquired	93,599	93,599
Disposals	(21,808)	(21,808)
Currency rate fluctuations	448	448
31.12.2024	408,237	408,237
Depreciation		
31.12.2023	238,079	238,079
Charge for 2024	56,623	56,623
Disposals	(17,600)	(17,600)
Currency rate fluctuations	307	307
31.12.2024	277,409	277,409
Net book value		
31.12.2023	97,919	97,919
Net book value		
31.12.2024	130,828	130,828

13) Other loans and non-current receivables

	31.12.2024 EUR	31.12.2023 EUR
Security deposits paid*	110,942	69,889
Other loans**	50,417	-
	161,359	69,889

* Security deposits represent the amounts paid for long-term leases of office premises. At the end of 2024, the Polish subsidiaries moved to new premises where additional security deposits were required. This required payment of additional security deposits for the premises.

** In 2024, the Group's Parent Company entered into a credit facility agreement with a Peruvian company for a credit limit of EUR 300,000, interest rate 20%, repayable on 31 December 2028. In the reporting year, the Group's Parent Company made a credit facility payment of EUR 50,000 under the credit facility agreement. The total outstanding loan amount together with the accrued interest constitutes EUR 50,417 as at 31.12.2024.

14) Other receivables

	31.12.2024	31.12.2023
	EUR	EUR
Claims arising from loan servicing intermediation *	7,087,076	3,495,741
Loans issued to customers **	24,591,370	10,772,572
Claims for sale of customer portfolio	268,801	-
Advance payments for services	100,604	19,822
Tax overpayment	45,043	26,945
Withholding tax paid	170,716	-
Claims related to received loans	508	310
Short-term loans to employees ***	22,969	23,036
Erroneous money transfers	24,074	1,872
Guarantee fees	13,250	7,693
Claims related to settlement of payments	3,200	3,751
Operating lease advance payments ****	1,740	1,740
	<u>32,329,351</u>	<u>14,353,482</u>

* 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):

	31.12.2024	31.12.2023
	EUR	EUR
Issued loans	28 429 967	13 623 100
Accrued interest income	3 769 819	1 341 352
Impairment	(7 607 455)	(4 191 880)
	<u>24 592 331</u>	<u>10 772 572</u>

*** In 2022, the Company has granted a short-term loan to the Company's 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 1,000 were repaid in the reporting year. The repayment deadline has been extended to 1 March 2025. The total outstanding loan amount together with the accrued interest constitutes EUR 22,969 as at 31.12.2024. In April 2025, debt recovery process was commenced.

****Other receivables	31.12.2024			31.12.2023		
	Long-term share	Short-term share	Total	Long-term share	Short-term share	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Operating lease advance payments						
Transparent, SIA	4,538	1,740	6,278	6,278	1,740	8,018
	4,538	1,740	6,278	6,278	1,740	8,018

15) Deferred expenses

	31.12.2024	31.12.2023
	EUR	EUR
IT services	25,606	13,192
Professional services	19,200	-
Insurance costs	19,934	8,925
Personnel training costs	1,852	1,051
Membership fee	13,950	74,831
	80,542	97,999

16) Cash and bank

	31.12.2024	31.12.2023
	EUR	EUR
Cash at bank	5,013,733	1,938,142
Cash on hand	533	533
	5,014,266	1,938,675

17) Share capital and share premium

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 par value of one share EUR 1, and the share issue markup constituted EUR 1,203,297. 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 2,300,000.

The share capital of the Group's Parent Company at the end of 2024 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.

18) Other loans

	31.12.2024			31.12.2023		
	Long-term share	Short-term share	Total	Long-term share	Short-term share	Total
	EUR	EUR	EUR	EUR	EUR	EUR
From legal entities	25,998,799	792,167	26,790,966	4,484,619	5,564,794	4,665,346
From private persons	2,165,000	10,813	2,175,813	920,000	120,000	-
Interest calculated on received loan	8,587	-	8,587	-	77,410	305,047
	28,172,386	802,980	28,975,366	5,404,619	5,762,204	4,970,393

The Group has received several loans from legal entities and private persons. The loans are not secured with any guarantee or pledge.

In the reporting year 2024, two loans to legal entities were repaid for a total amount of EUR 661,982, as well as two credit facilities to a legal entity and a private person with a total credit limit of EUR 620,000 at interest rates of 2.79%–18.5%.

In the reporting year, several loan and credit facility agreements with private persons are in force, with a total outstanding loan amount as at 31.12.2024 equal to EUR 671,636 and applicable interest rates at 16%–20%. Also, several loan and credit facility agreements with legal entities are in force in 2024 with a total outstanding loan amount at the end of the reporting year equal to EUR 24,014,319 and applicable interest rates at 15%–20%.

During the reporting year, several credit facilities were concluded with private persons and legal entities with a total credit limit of EUR 1,000,000 and applicable interest rates at 16%–20%, as well as several loan agreements with private persons and legal entities for a total loan amount of EUR 2,190,000 and applicable interest rates at 16%–20%.

After the reporting year, a full early repayment of a loan to a legal entity amounting to EUR 20,000 and a full repayment of a credit facility to a private person amounting to EUR 350,000 were made. Applicable interest rates at 18% and 19%.

In 2025, a credit facility for EUR 500,000 with a legal entity was repaid by concluding a sales transaction of 10.31% shares in a subsidiary. The interest rate applicable to the repaid credit facility was 25%.

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

19) Other payables

	31.12.2024	31.12.2023
	EUR	EUR
Liabilities of using co-financing platform	65,745	3,448,394
Salary payments	309,977	228,715
Prepayments and overpayments received from customers	120,584	325,161
Other payables	158	-
	496,464	4,002,270

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

	31.12.2024	31.12.2023
	EUR	EUR
Accrued vacation expenses	308,752	275,021
Accrued liabilities to suppliers	104,053	75,325
	412,805	350,346

21) Personnel expenses and number of employees

Average number of employees	2024	2023
Number of employees in the reporting year	138	125
incl. Members of the Board	1	1
Other employees	137	124
Remuneration for carrying out their functions	2024	2023
	EUR	EUR
To Members of the Board	367,236	172,601
Personnel costs	2024	2023
	EUR	EUR
Remuneration for work	5,014,672	4,433,857
State social insurance expenses	1,034,868	982,374
Other social security costs	55,545	50,814
	6,105,085	5,467,045

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 2025, 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 end of the reporting year, the Group sold 10.31% of shares in its Polish subsidiary for EUR 500,000, settling its contractual obligations with the lender.

On 4 June 2025, a subsidiary of the Group registered in Latvia was liquidated.

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 events that would affect the annual results and the Company's financial position.

Iveta Brūvele
Chairperson of the Board

Irita Siņuka
Chief Accountant

8 August 2025

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 32.

THE ELECTRONIC SIGNATURE OF THE PERSON IN CHARGE OF ACCOUNTING APPLIES TO THE ANNUAL REPORT AS A SINGLE DOCUMENT FROM PAGE 10 TO PAGE 32.

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 x32 of the accompanying consolidated annual report, which comprise:

- the consolidated balance sheet as at 31 December 2024,
- 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 2024, 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 03 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.

Māris Biertis
Member of the Board

Olga Bobrova
Responsible sworn auditor
Certificate no. 170.

Rīga, Latvia, 08 August 2025

The Translation of the Report provided in the Latvian language