

# AS FINORA GROUP CONSOLIDATED ANNUAL REPORT 2025



**Building  
future  
together**

**finora group**

[finoragroup.eu](https://finoragroup.eu)

(translation from Estonian language version)\*

\*This version of annual report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the annual report takes precedence over this translation.

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## GENERAL INFORMATION

### Accounting period covered by the financial statements

1 of January 2025 to 31 December 2025

### Company information

Business name	AS Finora Group
Legal address	Narva road 5, 10117 Tallinn
Business Registry code	12324050
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Website	finoragroup.eu
Auditor	Grant Thornton Baltic OÜ
Supervisory Board	Veikko Maripuu Vahur Kraft Rein Ojavere Oleg Švaikovski
Management Board	Šarūnas Ruzgys



## MESSAGE FROM THE CEO

2025 marked a significant milestone in Finora's development. Finora remained firmly focused on its mission: to support the sustainable growth of small and medium-sized enterprises.

2025 was a year of disciplined action and building a strong foundation. To ensure the support needed for larger volumes and faster decision-making, we invested heavily in strengthening our operational capabilities, enhancing internal processes, and preparing a new technology platform to create a basis for smoother operations. These efforts enabled a significant acceleration of our lending activities and supported a new phase of scale growth. As a result, Finora achieved a strong financial result and a remarkable expansion of its portfolios. In 2025, the total loan portfolio increased threefold and our Estonian operating portfolio grew nearly eight times, confirming the successful implementation of our business model across all markets. Gross interest income grew by 106%, the gross loan portfolio grew by 213% to 89 million euros, and total assets grew by 154% to 104 million euros.

Looking ahead, we firmly believe in Finora's growth trajectory. With a strengthened operating model, a rapidly growing regional presence, and a strong capital base, we are well-positioned to continue responsible growth, deepen client relationships, and create long-term value for our investors.

While we have achieved significant progress, challenges remain. Finora continues to grow its portfolios and enhance processes and technology to meet the highest expectations of our clients. One of our main goals for

2026 is to further increase operational efficiency and profitability, strengthen our capital position, and continue to balance prudent risk management with sustainable business growth, while ensuring full compliance with evolving regulatory requirements.

Although automation and the use of artificial intelligence play an increasingly important role in financial services, small and medium-sized enterprises continue to value a financial partner who truly understands their challenges. While Finora actively uses technology to improve speed and efficiency, we differentiate ourselves by focusing on real conversations, informed decision-making, and personally tailored solutions. Our approach is based on close cooperation with business owners and decision-makers - listening carefully, adapting to their needs, and supporting their growth in a way that automated systems alone cannot provide. This balance between technology and human insight is where we take a leading role.

2026 will be a pivotal year for Finora, during which we strive toward new financial and strategic milestones. The operating environment remains demanding, but we are ready. With strong momentum, a growing capital base, and a dedicated team, we are prepared to move forward with confidence and continue creating long-term value for our clients and investors.

**Sincerely,**  
**Šarūnas Ruzgys**  
**CEO and Chairman of the Management Board**

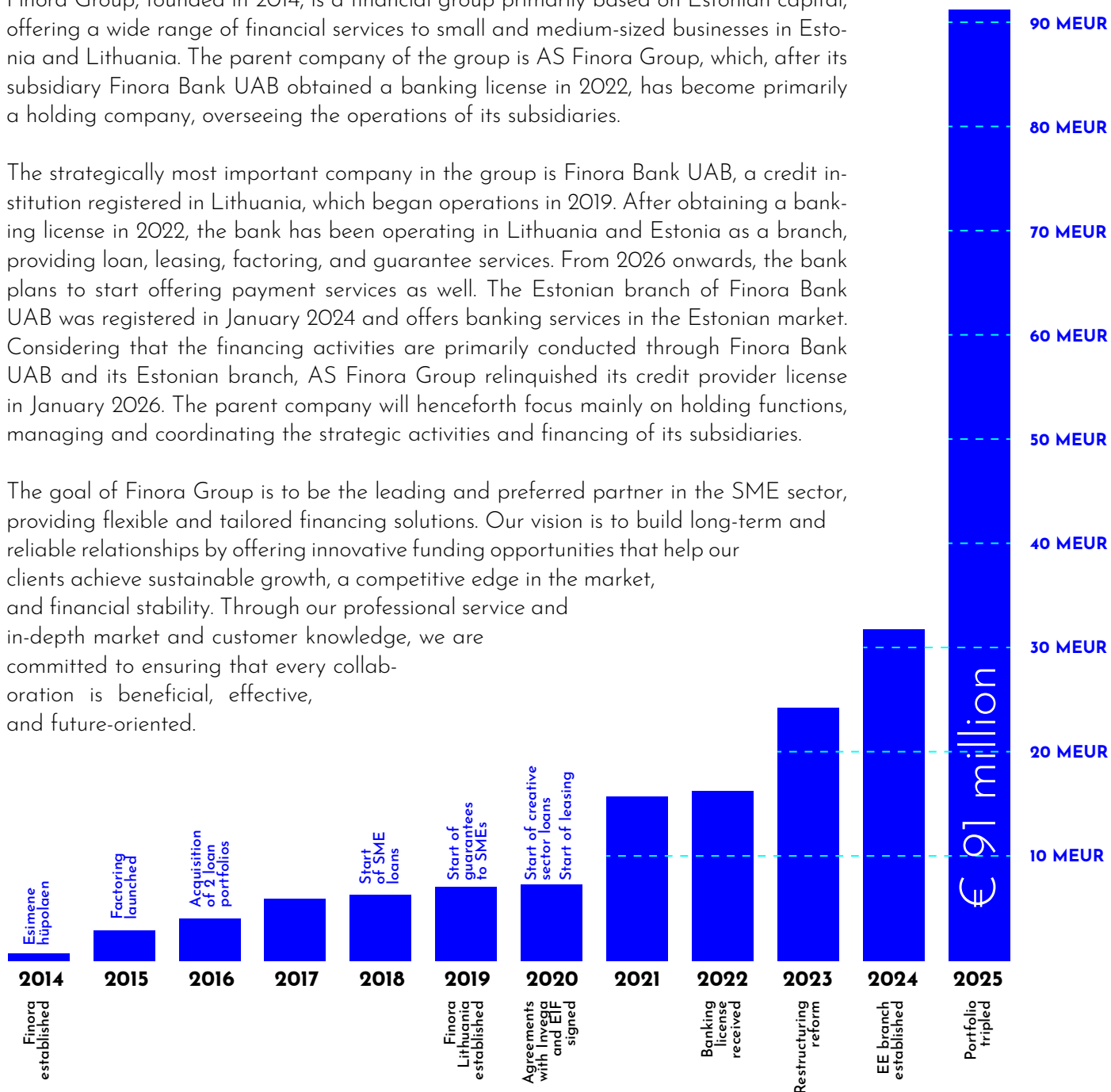
# MANAGEMENT REPORT

## OVERVIEW OF FINORA GROUP'S BUSINESS OPERATIONS AND FINANCIAL RESULTS

Finora Group, founded in 2014, is a financial group primarily based on Estonian capital, offering a wide range of financial services to small and medium-sized businesses in Estonia and Lithuania. The parent company of the group is AS Finora Group, which, after its subsidiary Finora Bank UAB obtained a banking license in 2022, has become primarily a holding company, overseeing the operations of its subsidiaries.

The strategically most important company in the group is Finora Bank UAB, a credit institution registered in Lithuania, which began operations in 2019. After obtaining a banking license in 2022, the bank has been operating in Lithuania and Estonia as a branch, providing loan, leasing, factoring, and guarantee services. From 2026 onwards, the bank plans to start offering payment services as well. The Estonian branch of Finora Bank UAB was registered in January 2024 and offers banking services in the Estonian market. Considering that the financing activities are primarily conducted through Finora Bank UAB and its Estonian branch, AS Finora Group relinquished its credit provider license in January 2026. The parent company will henceforth focus mainly on holding functions, managing and coordinating the strategic activities and financing of its subsidiaries.

The goal of Finora Group is to be the leading and preferred partner in the SME sector, providing flexible and tailored financing solutions. Our vision is to build long-term and reliable relationships by offering innovative funding opportunities that help our clients achieve sustainable growth, a competitive edge in the market, and financial stability. Through our professional service and in-depth market and customer knowledge, we are committed to ensuring that every collaboration is beneficial, effective, and future-oriented.



The chart illustrates the development of Finora's gross loan portfolio since the establishment of Finora.

**Gross portfolio**

## Economic Overview

The previous year was another strong growth year for the Lithuanian economy. According to the Bank of Lithuania, Lithuania's gross domestic product (GDP) grew by 2.5% in real terms last year, following a strong 3.0% growth in 2024. Economic growth was relatively broad-based, covering all major economic sectors except for manufacturing. According to the Statistics Department, from October-November 2025, the inflation-adjusted average monthly turnover of service and retail trade companies grew by 8.5% and 6.6%, respectively, year-on-year. The inflation-adjusted average volume of industrial production and construction increased by 4.0% and 3.2%, respectively, year-on-year. The growth in consumption and related services and retail trade was supported by the continued growth in consumer purchasing power. According to the Statistics Department and Eurostat, real income increased by 4.2% year-on-year as of the third quarter of 2025, driven by a strong annual wage growth of 7.8% and slower inflation growth, as prices rose by 3.6% year-on-year. The expansion of the construction sector was supported by ongoing investments in the energy sector, defense, and transportation infrastructure, as well as strong activity in the residential real estate market, as affordability improved.

The Estonian economy remained in stagnation in 2025 but emerged from the recession in the second half of the year. According to the Bank of Estonia, Estonia's real GDP grew by 0.7%, driven by increases in government consumption expenditures and business investments (2.2% and 2.1% year-on-year, respectively). Household consumption declined by 0.2% as real income remained stagnant and consumer expectations were historically low. However, the services sector in Estonia saw significant growth, as consumer preferences shifted in this direction. According to the Statistics Department, in October-November 2025, the inflation-adjusted average monthly turnover of service sector companies grew by 6.8%, while retail trade grew by 2.8% year-on-year. Industry grew by 3.3% as international demand for Estonian products began to recover. However, construction output grew by only 0.8% year-on-year as of the third quarter of 2025, due to a historically high base of comparison for infrastructure construction output, while residential and commercial real estate development showed slight growth.

In 2026, economic growth is expected to accelerate in both Lithuania and especially in Estonia. According to the central banks of Estonia and Lithuania, GDP is forecasted to grow by 3.2% in Lithuania and 3.6% in Estonia. In Lithuania, the main source of growth is private consumption, primarily driven by the increase in real household income and funds withdrawn from pension funds during the pension reform. In Estonia, the key driver of economic growth is capital investments, fueled by the recovery of external demand and investments made to improve competitiveness, mainly to supplement existing production capacity. Euribor interest rates have stabilized, and financial market participants partially predict a slight increase next year. However, the small rise in borrowing costs is not expected to reduce the appetite for lending and investment in either Lithuania or Estonia, as lending conditions and margins remain historically favorable.

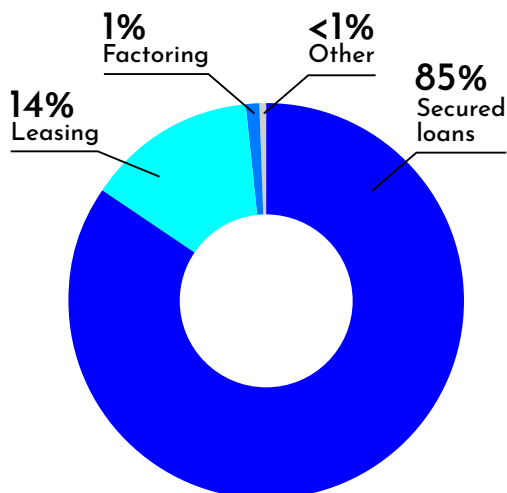
## Strategic Directions

Finora's vision is to provide its clients with the opportunity to grow their businesses by offering access to credit solutions. Finora Bank, part of the Finora Group, aims to establish itself as a prominent and preferred partner in the SME segment in the Baltic markets, positioning itself as an industry expert.

Finora's mission is to inspire and support today's SMEs to become tomorrow's business leaders. The bank promotes financial literacy and offers comprehensive financial services to micro, small, and medium-sized enterprises. Striving for excellence, the bank stands out as a leading local financial institution by enhancing customer experience and tailoring solutions to meet the unique needs of its clients.

## Finora Business Model

Our goal is to create sustainable value for all stakeholders. Therefore, we strive for competitive returns on invested capital and market-leading cost efficiency, combining these with balanced risk management, excellent customer experience, and a strong commitment to sustainability. Finora's core business has been the financing of small and medium-sized enterprises (SMEs) through Finora Bank, and going forward, the focus will remain primarily on business financing.



We primarily focus on financing products tailored for businesses, supporting their growth, investments, and working capital needs in our target markets. This clear focus allows us to maintain expertise in the SME lending market while responsibly expanding our activities in the business sector.

**Targeted service.** Finora makes a significant investment in creating innovative solutions and proactively solving problems, always acting in the best interests of our clients. We don't just offer a list of products - we solve our clients' problems.

**Integrity.** Finora stands for transparency, honesty, and a customer-centric mindset. We openly acknowledge both our strengths and limitations, offering clear and understandable communication and solutions that truly support small and medium-sized enterprises. By fo-

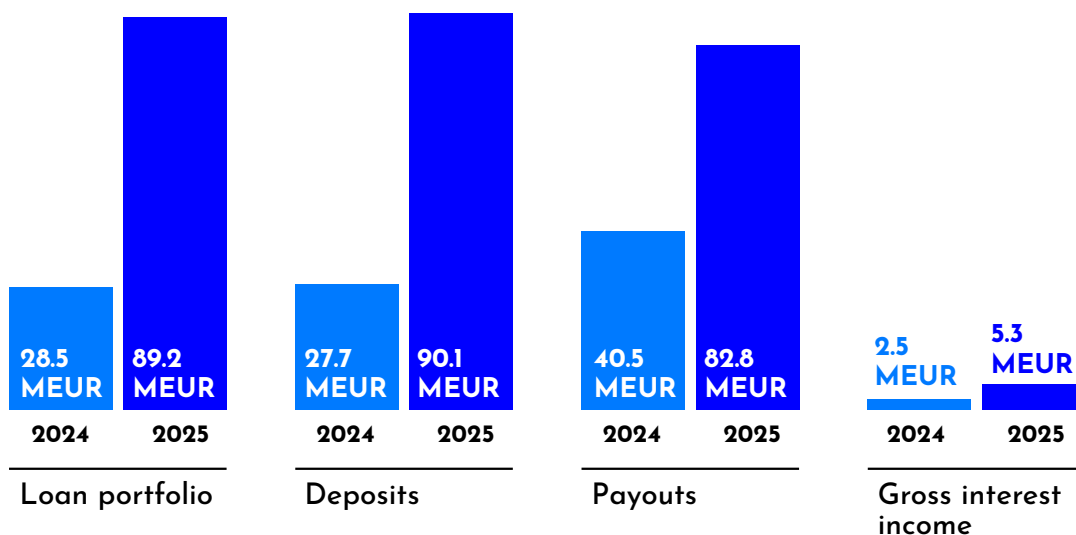
cusing on building trust and fostering meaningful relationships, we prioritize long-term partnerships over short-term gains, ensuring that every interaction reflects authenticity and care.

**Speed.** Finora continually works to ensure that the service process is as fast as possible. Quick response times - saving our clients' time and giving them the freedom to grow their businesses - a priority we hold in high regard.

**Financial Overview**

2025 was a remarkably successful year for Finora Group, Finora more than tripled its loan portfolio, increasing it from 28 450 thousand euros to 89 170 thousand euros. Finora's new sales during the reporting year were also impressive; the total amount of newly issued loans reached 82 792 thousand euros (2024: 40 534 thousand euros). Additionally, the loan portfolio grew by portfolios purchased from external parties. In connection with the significant growth of the portfolio, the Group's interest income increased by 106% in 2025 compared to 2024 (growth in 2024 was 41%). Gross interest income in 2025 was 5 258 thousand euros (2 546 thousand euros in 2024). Net interest income grew by 158%, reaching 2 906 thousand euros (2024: 1 125 thousand EUR).

The structure of the loan portfolio continued to move toward more highly collateralized loans. The main focus of 2025 was the growth of the secured loan portfolio, which was successfully implemented. The secured loan portfolio grew by over 53 718 thousand euros, which





meant an annual growth of 242%. The leasing portfolio also increased by 8 787 thousand euros. The factoring portfolio decreased by 1 601 thousand euros, as the focus during the reporting year was on upgrading the banking system required to service the factoring product. In 2026, in addition to Estonia, factoring began to be issued in the Lithuanian market as well, and there are ambitious growth plans for the factoring sector in the new year. In total, Finora Group increased its total loan portfolio by 60 719 thousand euros, reaching 89 170 thousand euros by the end of the year. The loan portfolios of the parent company AS Finora Group and also OÜ Finora Factoring were sold as of 31.12.2025, and from 2026 onwards, the increase of the loan portfolio will take place through Finora Bank UAB and the Estonian branch of Finora Bank UAB.

To ensure the growth of the loan portfolio, Finora's deposit portfolio also grew and reached 90 126 thousand euros as of December 31, 2025. In an annual comparison, Finora's deposit volume has increased by 62 412 thousand euros. Deposits continued to be raised mainly through the Raisin platform, an international digital platform that connects depositors with banks.

Interest expenses increased with the inclusion of new deposits, reaching 2 352 thousand euros (2024: 1 422 thousand euros), an increase of 930 thousand euros compared to 2024.

To support Finora's breakthrough growth, labor costs amounted to 4 157 thousand euros in the reporting year and increased by 919 thousand euros compared to 2024. Operating expenses also increased due to higher volumes and amounted to 2 837 thousand euros in the reporting year, showing an increase of 474 thousand euros. Finora's focus is always on efficiency; therefore, it is noteworthy that while the loan portfolio grew by 213%, labor and operating expenses grew by only

28% and 20% respectively. Expected credit loss in the income statement amounted to 949 thousand euros (2024: 1 898 thousand euros). In 2024, extensive provisions were made for the historical loan portfolios of AS Finora Group and its subsidiary OÜ Finora Factoring. As of the end of 2025, these loan portfolios have been realized to both external parties and the Estonian branch of Finora Bank UAB, and the portfolio balance in AS Finora Group and OÜ Finora Factoring as of 31.12.2025 is zero. The credit loss expense recognized in the reporting year is mainly related to the extensive growth of the portfolio.

The year 2025 was exceptionally successful for Finora and full of positive developments. During the year, several new investors were brought in who believe in Finora's strength and potential, and existing shareholders also actively supported the company's growth by contributing to Finora's share capital and share premium. A total of 5 414 thousand euros was raised, confirming that Finora has a strong position in the market and is ready to continue its rapid growth and success story in the future.

A major focus for Finora Group during the reporting year was strengthening its technology and operating platform. The most significant investment was the development of a new core banking system, the implementation of which was in its final stages by the end of the year. Customer migration took place in January 2026, all new customers are now entered directly into the system and are screened automatically. Loan migration is planned for the first quarter of 2026 once customer accounts are fully opened.

In 2025, the development of SEPA payments also began, and its integration was completed in the fourth quarter of 2025, enabling both standard and instant payments. All payments are now automatically scanned

through a new third-party AML and sanctions screening system, further strengthening compliance. The opening of the bank's cash accounts was completed in the fourth quarter, while the remaining existing customer accounts are expected to be completed by February 2026. A new factoring solution was launched in the fourth quarter, enabling a harmonized product portfolio offering in both Lithuania and Estonia and supporting more efficient processing. The development of the internet banking platform is planned to be completed by January 2026, ensuring smooth and integrated operations across systems.

Now, Finora is ready to offer its customers even more complete and faster financial services, ensuring a smooth and secure experience across all systems. With strong technology and integrated solutions, Finora is ready to grow even faster and offer its customers better solutions that support sustainable development and market competitive advantage. All aforementioned investments are reflected in the IT expenses of the reporting year.

There were no significant research-related projects or associated expenditures during the reporting year, nor are any planned for the near future.

The Group's business activities are not significantly affected by seasonality or the cyclicity of economic ac-

tivity. The Group's activities do not involve significant environmental or social impacts. The Group has taken into account that it is exposed to several risks in its economic activities. The aim of risk management is to identify, measure, and adequately manage these risks. In a broader context, the purpose of risk management is to reduce potential losses and the volatility of financial results. The Group follows a classic three-level risk management system. The Group considers risks related to changes in exchange rates and stock market prices during the financial year and the reporting period to be very low, as the company's receivables and liabilities are in euros and the company does not invest in freely tradable securities, except for high-rated government bonds. Similarly, Finora's management does not consider large movements in Euribor to be a significant factor. More detailed information is provided in the Risk Management section of the financial statements.

The consolidation group's dividend policy is under development; there is currently no distributable profit. There have been no other changes in the composition of the consolidation group during the financial year or the reporting period. No other significant changes have occurred in the investment and financing strategy, financing structure, risk hedging policy, or liquidity policy of the consolidating entity or the consolidation group during the financial year or the reporting period.

## Ratios

	2025	2024
<b>Average equity, in euros</b>	4 631 709	2 399 771
<b>Return on equity (ROE)</b>	-23%	-107%
<b>Total Assets (average), in euros</b>	72 459 791	35 095 775
<b>Return on assets (ROA)</b>	-1%	-7%
<b>Cost to income ratio*</b>	173%*	349%*

One-off income resulting from the write-down of AT1 instruments, amounting to 2,99 million euros in 2025 and 3,45 million euros in 2024, has been excluded from income.

**Average equity** = (equity at the end of the reporting period + equity at the end of previous reporting period) / 2

**Return on equity** = net profit (loss) / average equity \* 100

**Assets (average)** = (assets at the end of the reporting period + assets at the end of previous reporting period) / 2

**Return on assets** = net profit (loss) / total assets (average) \* 100

**Cost to income ratio** = operating expenses / net income \* 100

**Net income** = net interest income + other income

## FINORA 2025 RESULTS



**Net Loan Portfolio**  
€ 89,2 million

**+213%**  
annual growth



**Gross Interest Income**  
€ 5,3 million

**+106%**  
annual growth



**Deposits**  
€ 90,1 million

**+225%**  
annual growth



**Additional Investments into Finora**

**+5,4 mln €**  
annual growth

### Net Loan Portfolio Growth

The structure of the loan portfolio continued to shift toward more highly collateralized loans. In 2025, the primary focus was on growing the secured loan portfolio, which was successfully achieved.

### Growth in Gross Interest Income

Gross interest income grew by 106% over the year. The primary increase came from interest income on secured loans. Furthermore, starting from 2024, funds were placed into the Target-2 system and overnight deposits at other banks, which also increased the share of other interest income.

### Growth in Deposits

Finora's deposit portfolio more than tripled over the year. Deposits were primarily raised through the Raisin platform. As of 2025, all deposits are term deposits.

### Additional Capital Investment

The year 2025 was exceptionally successful for Finora and full of positive developments. During the year, several new investors were brought in who believe in Finora's strength and potential, and existing shareholders also actively supported the company's growth. In total, 5.4 million euros was raised, confirming that Finora has a strong position in the market and is ready to continue its rapid growth.

## GOALS FOR 2026

The scope of services provided by Finora Bank, a member of the Finora Group, is continuously expanding, and we consider it our responsibility to participate in significant, solution-oriented discussions regarding the economic environment. In our long-term proactive communication, we have selected key areas where our thought leadership can have the deepest and most productive impact.

We see that in our home markets, our contribution is primarily needed in the following areas: the attitude toward small and medium-sized enterprises, the practical implementation of the transition to a green economy, and the sharply uneven level of financial literacy. These are issues that Finora seeks to address through its core activities. In our communication, we consider it our mission to advocate for these groups and topics and to achieve these objectives.

### **Focus on Small and Medium-Sized Enterprises**

Successful SMEs and their founders and owners—broad-minded and independent entrepreneurs are the foundation of any innovative economy. A society with a vibrant SME sector, especially newly established companies, is an entrepreneurial, developing, and resilient society. It is crucial that both established and new entrepreneurs have good access to the necessary resources.

### **Focus on the Environment**

The transition from a fossil fuel-based economy to an ecologically sustainable economy is the greatest challenge of our time. Any undertaking of such scale and complexity carries inherent resistance. By combining our professional expertise with specialized, tailored financing instruments, Finora is doing its utmost to contribute to this agenda.

### **Focus on Creating Customer Value**

Our activities focus on understanding and meeting the unique needs of small and medium-sized enterprises. This means going beyond traditional banking services by offering tailored financial solutions and expert advice that enable businesses to grow and succeed. By prioritizing value creation, we aim to be a trusted partner, providing flexible products, seamless processes, and proactive support designed to solve real-world challenges.

### **Focus on Financial Literacy**

Despite recent promising progress, financial literacy remains weak for both individuals and businesses. We consider financial literacy to be the cornerstone of personal freedom, a prerequisite for unrestricted social activity, and a drastically underutilized source of market power for most entrepreneurs. Finora promotes and teaches financial literacy to strengthen civil society, enabling responsible growth and further fostering a more robust entrepreneurial culture in our markets, thereby bringing direct benefits to Finora's core operations.

### **Focus on Process Improvement**

During the routine inspection of the new bank by the Bank of Lithuania, which began at the end of 2024, we received preliminary recommendations aimed at increasing the bank's regulatory compliance and improving internal processes. Finora thoroughly analyzed all recommendations to identify the most critical areas where implementation would provide immediate added value. For the recommendations Finora accepted, clear action plans and timelines were developed to implement the improvements. Based on the identified areas for development, internal work procedures, risk management principles, and oversight frameworks were updated to ensure even higher service quality, transparency, and compliance with regulatory requirements.

### **Raising Additional Capital and Sustainable Growth**

The year 2025 was exceptionally successful for Finora and full of positive developments. During the year, several new investors were brought in who believe in Finora's strength and potential, and existing shareholders also actively supported the company's growth. In total, 5.4 million euros was raised, confirming that Finora has a strong position in the market and is ready to continue its rapid growth. With the capital obtained, new products and services will be developed, market share expanded, and investments made in technological solutions that improve the customer experience. This creates the prerequisites for sustainable and successful growth.

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated statement of financial position (in euros)

	31.12.2025	31.12.2024	Note
<b>Assets</b>			
Cash and equivalents	11 773 599	9 311 844	
Loan receivables	89 169 971	28 450 481	7
Other receivables and prepayments	1 989 088	1 951 208	8; 24
Financial investments	529 565	529 565	9
Property, plant and equipment	93 788	111 649	12
Intangible assets	437 855	570 967	13
<b>Total assets</b>	<b>103 993 866</b>	<b>40 925 714</b>	
<b>Liabilities</b>			
Deposits	90 126 190	27 714 094	15; 16
Loan liabilities	3 301 006	6 892 700	16
Other payables and prepayments	1 392 651	1 627 696	10;17
Subordinated loans	2 311 825	2 290 000	11
<b>Total Liabilities</b>	<b>97 131 672</b>	<b>38 524 490</b>	
<b>Equity</b>			
Share capital	791 274	639 815	18
Share premium	14 970 322	9 708 005	
Other reserves	450 849	319 698	
Retained earnings (loss)	-8 266 294	-5 689 257	
Net profit (loss) for the financial year	-1 083 957	-2 577 037	
<b>Total equity</b>	<b>6 862 194</b>	<b>2 401 224</b>	
<b>Total liabilities and equity</b>	<b>103 993 866</b>	<b>40 925 714</b>	

## Consolidated statement of profit and loss and comprehensive income

(in euros)

	2025	2024	Note
Interest income	5 258 378	2 546 919	19
Interest expense	-2 352 064	-1 422 132	20
<b>Net interest income</b>	<b>2 906 314</b>	<b>1 124 786</b>	
Net fee income	731 722	186 252	
Other income	3 399 717	3 745 029	21
<b>Total revenue</b>	<b>7 037 753</b>	<b>5 056 067</b>	
Operating expenses	-2 837 915	-2 364 128	22
Labor expenses	-4 157 389	-3 237 935	23
<b>Total expenses</b>	<b>-6 995 304</b>	<b>-5 602 063</b>	
<b>Profit before impairment losses</b>	<b>42 449</b>	<b>-545 996</b>	
Depreciation and amortisation	-177 520	-132 855	12,13
Changes in loan impairment reserve	-948 886	-1 898 186	
<b>Net profit (loss) for the financial year before taxes</b>	<b>-1 083 957</b>	<b>-2 577 037</b>	
<b>Net profit (loss) for the financial year</b>	<b>-1 083 957</b>	<b>-2 577 037</b>	

## Consolidated statement of cash flows

(in euros)

	2025	2024	Note
<b>Cash flows from operating activities</b>			
Net profit (loss)	-1 083 957	-2 577 037	
Adjustments			
Depreciation and amortisation	177 520	132 855	12;13
Interest expense	2 352 064	1 422 132	20
Interest income	-5 258 378	-2 546 919	19
Other adjustments: Provisions and options reserve	1 080 037	2 041 294	
Other adjustments: AT1 Write-down	-2 999 994	-3 450 000	
<b>Total adjustments</b>	<b>-4 648 751</b>	<b>-2 400 637</b>	
Total change in receivables and prepayments related to operating activities	-61 227 096	-7 492 041	7;8
Total change in payables and prepayments related to operating activities	-235 048	430 928	17
Deposits received	62 412 096	9 342 741	15
Repayments of loans received	-529 700	-1 118 402	
Interest received	4 567 354	2 481 915	
Interest paid	-2 118 373	-1 339 199	
Other proceeds from operating activities (bonds)	330 000	0	16
Other payments from operating activities (bonds)	-392 000	0	
<b>Total cash flows from operating activities</b>	<b>-2 925 474</b>	<b>-2 671 733</b>	
<b>Cash flows from investing activities</b>			
Payments for the acquisition of tangible and intangible assets	-26 547	-187 674	12;13
Proceeds from the sale of tangible and intangible assets	0	29 043	
Payments for bond investments	0	-202 197	
Proceeds from bond investments	0	449 419	
<b>Total cash flows from investing activities</b>	<b>-26 547</b>	<b>88 591</b>	
<b>Cash flows from financing activities</b>			
Proceeds from the issuance of shares	5 413 776	2 436 834	
Proceeds from AT1 Bonds	0	6 450 000	
<b>Total cash flows from financing activities</b>	<b>5 413 776</b>	<b>8 886 834</b>	
<b>Total cash flows</b>	<b>2 461 755</b>	<b>6 303 693</b>	
Cash and cash equivalents at beginning of period	9 311 844	3 008 151	
<b>Change in cash and cash equivalents</b>	<b>2 461 755</b>	<b>6 303 693</b>	
Cash and cash equivalents at end of period	11 773 599	9 311 844	

## Consolidated statement of changes in equity

(in euros)

	Share capital	Unregistered share capital	Share premium	Other reserves	Retained earnings (loss)	Total
<b>31.12.2023</b>	<b>551 673</b>	<b>151 050</b>	<b>7 208 263</b>	<b>176 590</b>	<b>-5 689 257</b>	<b>2 398 318</b>
Net profit (loss) for the financial year	0	0	0	0	-2 577 037	-2 577 037
Stock options	0	0	0	143 108	0	143 108
Issue of share capital	88 142	-151 050	2 499 742	0	0	2 436 834
<b>31.12.2024</b>	<b>639 815</b>	<b>0</b>	<b>9 708 005</b>	<b>319 698</b>	<b>-8 266 294</b>	<b>2 401 224</b>
Net profit (loss) for the financial year	0	0	0	0	-1 083 957	-1 083 957
Stock options	0	0	0	131 150	0	131 150
Issue of share capital	151 459	0	5 262 317	0	0	5 413 776
<b>31.12.2025</b>	<b>791 274</b>	<b>0</b>	<b>14 970 322</b>	<b>450 849</b>	<b>-9 350 251</b>	<b>6 862 194</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 1 General information

AS Finora Group is a public limited company registered in the Republic of Estonia, with its permanent residence in Estonia. The primary business activity of AS Finora Group (hereinafter: the Parent Company) and its subsidiaries (hereinafter together: the Group) is the provision of financing services to private and business customers. The Group's consolidated report reflects the financial indicators of AS Finora Group and its 100% subsidiaries: Finora Bank UAB (Lithuania), including the Estonian branch of Finora Bank UAB, and Finora Factoring OÜ (Estonia).

On April 29 2022, the European Central Bank issued a specialized bank license to Finora Bank UAB, the subsidiary of AS Finora Group in Lithuania, and the bank was registered on September 9 2022. The activity license for the Estonian branch of Finora Bank UAB was issued in November 2023, and the branch was registered

in the Estonian Commercial Register in January 2024. As financing activities are conducted through Finora Bank UAB and the Estonian branch of Finora Bank UAB, AS Finora Group and OÜ Finora Factoring fully realized their loan portfolios during 2025. Starting from January 2026, the Parent Company, AS Finora Group, relinquished its credit provider license and operates as a holding company.

The Group's financial year began on January 1 2025 and ended on December 31 2025.

The numerical figures in the consolidated annual financial statements are presented in euros. The Group's consolidated financial statements for the financial year ended December 31 2025 were approved by management on 2nd April 2026. The Group's Supervisory Board has the right to approve or reject them and to request the preparation of a new report in accordance with the law.



## Note 2 Basis of preparation

### 2.1 Accounting principles

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

### 2.2. Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention. The consolidation group presents its statement of financial position in the order of liquidity based on the group's intention and ability to settle the assets recognized in the financial statements or liabilities.

### 2.3. Significant accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual outcomes may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of a change

in an accounting estimate is recognized in the period of the change, if the change affects that period only, and any future periods affected by the change.

An important area of the estimates used in preparing the statements is related to the assessment of the impairment loss of financial assets.

The Group regularly monitors and analyses loans and receivables to assess impairment. The estimation of potential impairment losses is dependent on various circumstances. The assessment of a significant increase in credit risk is a new concept under IFRS 9 Financial Instruments and will require significant estimates. At each balance sheet date, the Group assesses whether credit risk has increased significantly since initial recognition by considering the change in the risk of a default occurring over the remaining life of the financial instrument, using key risk indicators that are used in the Group's existing risk management processes. On an ongoing basis, potential issues are identified promptly as a result of loans being regularly monitored and analysed.

Impairment losses are calculated on an individual basis in terms of loan types with reference to expected future cash flows, including those arising from the realisation of collateral. The Group uses its experienced judgment to estimate the amount of any impairment loss considering matters such as future economic conditions the resulting trading performance of the borrower and the value of collateral, for which there may not be a readily accessible market.



## Note 3 Summary of significant accounting policies

### 3.1. New Standards, Interpretations and Amendments

#### Application of new and / or amended IFRS (EU) and International Financial Reporting Interpretations Committee (IFRIC) interpretations.

#### Amendments effective for annual periods beginning on or after 1 January 2025.

##### Amendments to IAS 21 Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. The Group is not impacted by this amendment, as it does not have transactions or operations in foreign currencies that are not exchangeable into another currency at the measurement date for a specified purpose.

#### Amendments effective for annual periods beginning on or after 1 January 2026.

##### Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

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

- a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The Group is currently assessing the potential impact of these amendments on its financial statements.

##### Annual Improvements to IFRS Accounting Standards

IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in

which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'. The Group is currently assessing the potential impact of these amendments on its financial statements.

### **Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7**

The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, Financial Instruments, and IFRS

7, Financial Instruments: Disclosures. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows. The Group currently does not and does not plan to enter into nature-dependent electricity contracts or power purchase agreements and does not use such contracts for hedging purposes. Accordingly, these amendments are not expected to have any impact on the Group's financial position, financial performance or disclosures.

### **Amendments with effective date to be determined; not yet adopted by the EU**

### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and



- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The Group is currently assessing the potential impact of these amendments on its financial statements.

### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records - to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements - IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

AS Finora Group currently has no subsidiaries that would be eligible to apply the reduced disclosure requirements under IFRS 19. Accordingly, the standard does not have a material impact on the Group's consolidated financial statements, as the principal reliefs provided by IFRS 19 do not apply to the existing reporting of our subsidiaries. Should the composition of the Group change, the impact of this standard will be reassessed.

### **Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In August 2025, the International Accounting Standards Board (IASB) issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which assist subsidiaries applying the Standard by reducing disclosure requirements for standards and amendments issued between February 2021 and May 2024. In particular, these include: IFRS 18 Presentation and Disclosure in Financial Statements; Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); Lack of Exchangeability (Amendments to IAS 21); and amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7). Through these amendments, IFRS 19 incorporates all amendments to IFRS Accounting Standards effective up to 1 January 2027, which is when IFRS 19 becomes applicable. AS Finora Group currently has no subsidiaries that would be eligible to apply the reduced disclosure requirements under IFRS 19. Accordingly, the standard does not have a material impact on the Group's consolidated financial statements, as the principal reliefs provided by IFRS 19 do not apply to the existing reporting of our subsidiaries. Should the composition of the Group change, the impact of this standard will be reassessed.

### **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture—Amendments to IFRS 10 and IAS 28.**

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. In 2015, the IASB decided to postpone the effective date of these amendments indefinitely. The group is currently assessing the potential impact of these changes on their financial statements.

### **IFRS 14, Regulatory Deferral Accounts**

IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply to IFRS and do not recognize such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard, therefore it does not apply to Finora Group.

## **3.2 Consolidation**

### **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements comprise the financial statements of AS Finora Group (the Parent

Company) and its subsidiaries Finora Factoring OÜ and Finora Bank UAB (including Finora Bank UAB Branch). The financial statements of the subsidiaries are prepared for the same period as the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

### **Business combinations**

Business combinations are accounted for using the acquisition method, whereby all identifiable assets, liabilities and contingent liabilities of the acquired subsidiary are recognised at their fair values at the acquisition date, irrespective of the existence of a non-controlling interest. The consideration transferred for the acquisition of a <subsidiary comprises the: fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity instruments issued by the Group; fair value of any asset or liability resulting from a contingent consideration arrangement; and fair value of any pre-existing equity interest in the subsidiary. For each business combination, the Group chooses whether to recognise a non-controlling interest in the acquired entity at fair value

or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The Group recognises the cost of acquiring a business combination, except for the costs of issuing debt or equity securities, as an expense when incurred.

If the consideration transferred, the noncontrolling interest in the acquired entity and the acquisition-date fair value of the acquirer's previously held equity interest in the acquired entity exceeds the Group's interest in the identifiable assets acquired and liabilities assumed, the difference is recorded as goodwill.

If those amounts are less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Non-controlling interest is the portion of the subsidiaries' profit or loss and net assets in a subsidiary not attributable to the Group. In the consolidated statement of profit or loss and statement of other comprehensive income, profit or loss and each component of other comprehensive income are attributed to owners of the Parent Company and to the noncontrolling interests. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity holders of the Parent Company.

### **Transactions eliminated on consolidation**

All intra-group balances, transactions, and unrealised gains are eliminated in the consolidated financial statements. Unrealised losses are also eliminated but only to the extent that there is no indication of impairment.

### **3.3 Associates**

Associates are all entities over which the Group has significant influence but not control. Significant influence means that the Group can participate in adopting decisions concerning the financial and operating policies of an undertaking but cannot determine or control such financial and operating policies.

Associates are reported in the statements using the equity method. Upon applying the equity method, an investment is initially recognised in its amount invested at cost. Thereafter the amount of investment is increased by the share of the profit received from the investment made in the associate and reduced by the share of the corresponding loss.

### **3.4 Foreign currency translation**

#### **Functional and presentation currency**

The functional currency of the Group companies is the currency of their economic environment. The Group's Estonian and Lithuanian companies use euros (EUR) in accounting. The consolidated financial statements are presented in euros, which is the Parent Company's functional and presentation currency.

#### **Foreign currency transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates of the European Central Bank prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of financial assets and liabilities denominated in foreign currencies at the exchange rates of the balance sheet date, are recognised in profit or loss. Realised and unrealised gains and losses resulting from the settlement and revaluation of foreign currency-based receivables and payables related to principal activities are recognised using the net method under Other operating income (-expenses). Unrealised gains and losses resulting from cash, revaluation of cash equivalents and loans are recognised using the net method under financial income (-expenses).

### **3.5 Cash and cash equivalents**

Balances of current accounts and term deposits of up to three months are recognised as cash equivalents in the balance sheet and statement of cash flows.



### 3.6 Financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost, and
- those to be measured at fair value (either through OCI or through profit or loss)

#### Business Model Assessment

The Group sets its business model at a level that best reflects how it manages groups of financial assets in order to achieve its business goals. The Group's business model is not evaluated according to individual instruments, and at a higher level, i.e. at the aggregate portfolio level and is based on factors such as:

- how the results of the business management model are evaluated and the financial assets held according to it, how they are reported to management;
- risks affecting the performance of the business model (and the financial assets held under that business model), in particular how those risks are managed; and
- how the business managers are remunerated (for example, what is the remuneration based on - the fair value of the assets under management or the collected contractual cash flows);
- the expected frequency, value and timing of sales are also important aspects of valuation.

The assessment of the business management model is based on reasonably likely scenarios without regard to "worst case" or "stress case" scenarios. If cash flows after initial recognition are realized differently than the Group's initial expectations, the Group does not change the classification of the remaining financial assets in that business model, but takes such information into account when evaluating newly granted or newly acquired financial assets.

#### SPPI (Solely Payments of Principal and Interest) test

In the second stage of its grouping, the Bank evaluates the contractual terms of the financial assets to determine whether they meet the SPPI test. For a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, the cash flows arising from the financial asset must be solely payments of principal and interest (SPPI) on the outstanding principal amount. This assessment is called the SPPI test and is carried out for each financial instrument.

The principal amount is the fair value of the financial asset at the time of initial recognition. Interest is a reward for the time value of money, the credit risk associated with the outstanding principal amount over a period of

time, and other principal lending risks and costs, as well as a profit margin.

For contractual terms that assume greater than de minimis risk or that result in contractual cash flows unrelated to interest payments on principal and outstanding principal, the financial asset must be measured at fair value through profit or loss.

Financial assets are recognized when the entity becomes a party to the contractual obligations of the financial instrument and are measured at fair value on initial recognition. Transaction costs are recognized at fair value on initial recognition, except for financial assets that are carried at fair value through profit or loss. The transaction costs of such assets are included in profit or loss immediately.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets without a significant financing component are measured on initial recognition at the transaction price.

### **Financial Instruments**

Subsequent measurement of debt instruments depends on the Bank's business model for managing financial assets and on the cash flow characteristics of the asset. All the Bank's financial instruments are classified in amortised cost measurement category. Interest income from these financial assets is included in financial income using the effective interest method. Any gain or loss arising

on derecognition is recognised directly in profit or loss and presented in other income and other operating expenses. Foreign exchange gains and losses and credit losses are recognised in profit or loss.

### **Factoring**

Factoring transactions are considered to be financing transactions where the Bank provides the financial resources to its selling partners through transfer of the rights to the receivables from these sales transactions. The Bank acquires the right to the receivables payable by the buyer subject to the purchase-sale agreement. Factoring is the transfer (sale) of receivables where depending on the terms of the factoring contract the buyer either has the right to sell the receivable back to the seller during a prespecified term (recourse factoring) or there is no right of resale and all the risks and rewards associated with the receivable substantially transfer from the seller to the buyer (non-recourse factoring). The receivable of the Bank against the buyer is recognised as of the moment of factoring the purchase-sale agreement, i.e. as of acquiring the receivable.



A transaction is treated as financing (e.g. loan secured by the receivable) in case the Group does not acquire all the risks and rewards associated with the receivable, and the receivable is recognised in the balance sheet until it has been collected or the recourse has expired. If there is no repurchase obligation and control over the receivable and the associated risks and rewards transfers from the customer to the Group at the moment of transfer of the receivable, the transaction is recognised as acquisition of the receivable.

Receivables acquired are initially recorded at fair value and subsequently measured at amortised cost.

**Impairment of financial assets**

Impairment of financial assets is assessed in accordance with the requirements of IFRS 9 "Financial Instruments". Impairment claims are based on the expected credit loss method. The main principle of the expected credit loss model is to show a trend of deterioration or improvement in the credit quality of financial instruments. The expected credit loss model is applied to all financial assets carried at amortized cost, lease receivables and loan commitments. Expected credit losses (ECL) on financial assets carried at amortized cost and lease receivables are recognized in the expected credit loss accounts and form an integral part of the carrying amount of those assets in the statement of financial position. ECL reduces the total carrying amount of the asset. Expected credit losses on loan commitments and financial guarantees are presented as provisions, i. y. liabilities in the statement of financial position. The expected credit loss model includes a three-step approach, taking into account changes in credit risk.

Stage 1. Applies to all loans (positions) for which no significant increase in credit risk has been observed since initial recognition.

Stage 2. If there is a significant increase in credit risk.

Stage 3. Credit losses for the validity period apply. In the case of defaults, there are objective indications that they are impaired, such as delays in payment of 90 days or more, termination of the contract or other signs of insolvency (bankruptcy and liquidation, reorganization proceedings, death of the customer, etc.).

ECLs are calculated according to the formula:

$$\text{ECL} = \text{PD} \times \text{LGD} \times \text{EAD}$$

Where:

PD - probability of default - means the probability that a debtor will default on its financial obligation;

LGD - loss given default - means the proportion of losses that the Bank would incur in the event of a debtor's insolvency;

EAD - exposure at default - means the expected exposure amount in the event of default.

Loan losses over a 12-month period are losses that occur during the 12-month period after the reporting date,

and life-long loan losses including losses that occur during the remaining term of the loan.

Expected credit losses are discounted at the effective interest rate on the loan separately or by type of exposure.

**Rating of customers and relationship with PD and rating of other credit positions**

Before any loan is approved, the rating and PD of the customer is being assessed. The rating consists of a systematic evaluation of the creditworthiness by the analysis of risk drivers for the respective customer. The purpose of the creditworthiness assessment is to evaluate the possibilities for the customer to perform the financial obligations assumed throughout the entire term of the agreement along with the other financial obligations already in place.

The Group's assessment about a customer is based on sufficient and reliable information. The Group assesses all objectively implied significant factors, considering the information and documents provided by the customer and available to the Group from official registers and/or information systems used for creditworthiness assessment, as well as other information available to the Group that may affect the creditworthiness of the customer, in particular credit history, potential changes (increase and decrease) in income. The Group classifies customer's credit risk in the following risk classes - from low risk to defaulted.

**Estimation of expected credit losses - PD estimation, LGD estimation, EAD estimation**

Calculation of provisions for expected credit losses (ECL) takes due account of existing factors and forward-looking information that may have effect on the recovery of the remaining cash flows:

- initial recognition (and Stage 1) a loss allowance (provisions) is made for ECL resulting from default events that are possible within the next 12 months (12-month ECL) or the maturity period (for loans with the maturity period shorter than 12 months);
- in the event of a significant increase in a credit

risk (Stage 2) an allowance (provisions) is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL);

- for credit-impaired exposures (Stage 3) the Group continues to recognize the lifetime ECL.

The lifetime ECL is estimated based on the probability-weighted present value of the difference between the contractual cash flows that are due under the contract and the cash flows that the Group expects to receive. The Group uses “going concern” vs. “gone concern” scenario to estimate the cash flows it is expected to collect. If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that significant increase in a credit risk is no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date. The assessment of a credit risk and the estimation of ECL are designed to be unbiased and incorporates all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. ECL is being discounted to the reporting date, not to the expected default or some other date, using the effective interest rate determined at initial recognition or an approximation thereof. If a financial instrument has a variable interest rate, expected credit losses is being discounted using the current effective interest rate. The loan book is assessed for impairment on at least a quarterly basis. Credit impairment losses are reported as a deduction from the carrying value of the



loan and recognized in the profit and loss. The Group recognizes in profit or loss, as an impairment gain or loss, the amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with the Group’s regulation and IFRS 9. The Group uses an individual approach to its customers: when exposure of the customer or exposures related to the group of connected customers exceeds material benchmark and when exposure is being accounted in Stage 3. Loans’ ECL calculations are based on their delinquency status, general economic situation of the customer/counterparty within the framework of current macroeconomic environment and anticipated future conditions. The Group’s models track impairment events on an ongoing basis. Impairment events include violation of the loan agreement, start of Groupruptcy proceedings and other financial difficulties of the customer that have not materialized in missed payments yet. The Group uses collectively assessed method to its customers which all exposures are not material and accounted in Stage 1 and Stage 2. For the purposes of measuring ECL, the estimate of expected cash shortfalls also reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms and are not recognized separately by the Group. The estimate of expected cash shortfalls on a collateralized financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable. Consequently, any cash flows that are expected from the realization of the collateral beyond the contractual maturity of the contract is being included in this analysis. Any collateral obtained as a

result of foreclosure is not recognized as an asset that is separate from the collateralized financial instrument unless it meets the relevant recognition criteria for an asset.

### **Determination of significant increase in credit risk; loss events**

The Group considers that performing exposures could be with a significant increase in a credit risk when:

- exposures which are more than 30 days but not exceed 90 days past due;
- absolute PD level: 12-month PD of the exposure on the reporting date exceeds 20%;
- probability of default (PD) has increased more than some benchmark in percentage points (pp) from the moment of loan origination;
- same instrument is being forbore one time, e. g. there was forbearance measures applied;
- Increase a credit risk in certain sectors/industry;;
- Any other qualitative or quantitative criteria that shows deterioration of the customers business - financial status.

### **Reversal of impairment**

If the cause of the impairment disappears, the previously recognized impairment loss is reversed. Impairment losses are reversed and the value of the asset is increased to the maximum carrying amount that would have been determined had the asset not been written down, including interim depreciation. The reversal of an impairment loss is recognized in the income statement on the same line as the previous impairment loss. Impairment of goodwill is not reversed. If the fair value of a debt instrument classified as available for sale increases and the increase may be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed, and the reversal is recognized in profit or loss.

### **Purchased Financial Assets and Impairment Testing**

Purchased financial assets are initially recognized at their fair value on the acquisition date. Any premium or discount arising from the difference between the acquisition price and the fair value of the assets is

included in the carrying amount of the portfolio. This premium is subsequently amortized over the life of the portfolio using the effective interest rate method.

### **3.7 Tangible assets**

Tangible assets are assets used for provision of services or administrative purposes over a period of more than one year.

#### **Recognition and measurement**

Items of property, plant, and equipment are carried at cost less accumulated depreciation and any impairment losses. The cost includes the purchase price and other costs directly related to the acquisition that are necessary for bringing the asset to its operating condition and location. The cost of self-constructed assets includes the cost of materials, direct labour, an appropriate proportion of production overheads, and borrowing costs related to the acquisition, construction or production of qualifying assets. Where an item of property, plant, and equipment consists of significant parts that have different useful lives, the parts are accounted for as separate items of property, plant, and equipment and are assigned depreciation rates that correspond to their useful lives.

#### **Subsequent costs**

Parts of some items of property, plant, and equipment require replacement or renovation at certain intervals. Such costs are recognised in the carrying amount of an item of property, plant, and equipment when it is probable that future economic benefits associated with the parts of the item will flow to the Group and the cost of the part of the item can be measured reliably. The carrying amount of any part that is replaced is derecognised. Under the recognition principle provided in the previous paragraph, the costs of the day-to-day servicing of an item are not recognised in the carrying amount of the item. Instead, such costs are expensed as incurred.

#### **Depreciation**

Depreciation is recognised as an expense on a straight-line basis over the estimated useful life time of an item of property, plant, and equipment and its identifiable



components. Land and construction in progress are not depreciated. Estimated useful lives, residual values and depreciation methods are reviewed annually. The effect of the changes is reflected in the reporting period and in subsequent periods.

The minimum threshold for recording fixed assets is 600 euros.

**Useful life by non-current asset groups (years)**

Fixed asset group	Useful life
Computers and computer systems	2-5 years
Other tangible fixed assets	2-5 years
Intangible fixed assets	2-10 years

**3.8 Intangible assets**

Intangible assets (other than goodwill) are amortised on a straight-line basis over their estimated useful lives. Intangible assets are tested for impairment whenever there is any indication of impairment similarly to items of property, plant and equipment.

**Development expenditure**

Development expenditure is expenses incurred for the development, design or testing of new products, services, processes or systems. Development expenditure is capitalised as an intangible asset if the expenditure can be measured reliably, the Group has technical and financial resources and a positive intention to complete

the project, the Group can use or sell the asset and the probable future economic benefits generated by the asset can be measured. Capitalised development expenditure is carried at a cost less than any accumulated amortisation and any impairment losses. Development expenditure is recognised as an expense on a straight-line basis over its estimated useful life that generally does not exceed ten years. Amortisation commences when the development project is ready for use.

**Other intangible assets**

Other intangible assets comprise licenses and software. Acquired licenses are recognised at cost. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire the software and prepare it for use. Other acquired intangible assets are carried at a cost less than any accumulated amortisation and any impairment losses.

**Sensitivity analysis**

The group uses the change in the unemployment rate among macroeconomic indicators when conducting sensitivity analysis. The baseline scenario is based on the Ministry of Finance's forecast, while the positive scenario assumes an interest rate 2% lower than in the baseline scenario. In the negative scenario, an interest rate 2% higher than in the baseline scenario is assumed. The change in ECL is determined by assessing the impact of these macroeconomic indicator changes on the probability of default. In the case of a positive scenario, the total impact on assets and liabilities as of 31.12.2025 is 38 thousand euros (31.12.2024: 148 thousand euros), and in the case of a negative scenario, it is -38 thousand euros (31.12.2024: -148 thousand euros).

**Non-financial assets**

At each balance sheet date, the Group's management assesses whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, an impairment test is performed. The recoverable amount is equal to the higher of the asset's fair value (less costs of disposal) or value in use based on the discounted cash flows.

If the test reveals that the recoverable amount is lower than its carrying amount, the noncurrent asset is written down to its recoverable amount. If an impairment test cannot be performed in respect of an individual asset, then the recoverable amount is determined for the smallest group of assets to which the asset belongs.

If as a result of the impairment test of a previously impaired asset the asset's recoverable value exceeds its carrying amount, the earlier impairment loss is reversed and the carrying amount of the asset is increased.

**Reversal of an impairment loss**

If the reason for the impairment disappears, the previously recognised impairment loss is reversed. Changes in the circumstances of the impairment loss are analysed at least annually at the end of the reporting period. Impairment losses are reversed and the value of an asset item is increased as a maximum to the carrying amount that the asset item would have had if no impairment loss had been recognised, taking thereby into account the depreciation. The reversal of an impairment loss is recognised in profit or loss of the period on the same line where the original impairment loss was recognised. As an exception, impairment losses on goodwill are not reversed. Impairment losses recognised for an investment in an equity instrument classified as available for sale are not reversed through profit or loss. If the fair value of a debt instrument classified as available for sale subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

**3.9 Leases****The Group as a lessee**

The Group leases office premises. At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in Exchange for consideration.

The Group determines the lease term as the noncancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonable certain not to exercise that option. The lessee reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

The Group revises the lease term if there is a change in the non-cancellable period of a lease. The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured at cost, which comprises the amount of the initial measurement of the lease liability. The amount of the initial measurement of the lease liability is adjusted for any advance lease payments, any direct costs incurred and any restoration costs. Any lease incentives received are deducted from this amount. Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease until the end of the lease term unless the ownership of the underlying asset transfers to the Group at the end of the lease term or the residual value of the right-of-use asset indicates that the Group plans to exercise the purchase option. In that case, the underlying asset is depreciated over its entire estimated useful life, which is determined using an approach consistent with that for similar items of property, plant and equipment owned by the Group. Right-of-use assets are also adjusted for impairment losses, if any. In addition, right-of use assets are adjusted to reflect certain remeasurements of the

lease liabilities.

The lease liability is initially measured at the net present value of the lease payments not paid by the commencement date of the lease, using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The Group applies the incremental borrowing rate as the discount rate. The incremental borrowing rate is determined by reference to different sources of financing. The inputs received are adjusted to reflect the terms of the lease and the type of the underlying asset, in order to find the incremental borrowing rate appropriate for the asset. Lease payments included in the measurement of the lease liability comprise the following: fixed payments; the exercise price of a purchase option (if the lessee is reasonably certain to exercise that option); amounts expected to be payable by the lessee under residual value guarantees; and lease payments that depend on an index or rate used to determine the payments, if the amount of the residual value guarantee is reassessed or if the Group changes its assessment as to whether it intends to exercise the option to purchase the underlying asset or the option to extend or terminate the lease. The lease liability is also remeasured to reflect changes in fixed payments.

If the lease liability is remeasured due to the above reasons, a corresponding adjustment is made to the carrying amount of the right-of-use asset. The effect of the change in the lease liability is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

According to the IFRS 16 "Leases" standard, a short-term lease exception is allowed for leases with a term of less than one year. The group applies for this exception to leased premises with lease periods of less than one year. These leases are not recorded on the balance sheet as right-of-use assets or liabilities. Expenses related to short-term leases are recognized in the income statement in the period in which they are incurred.

### **3.10 Financial liabilities**

All financial liabilities of the Group are classified as

"other financial liabilities at amortised cost". Financial liabilities are classified as current when they are due to be settled within 12 months after the balance sheet date unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Liabilities with payment deadlines exceeding one year from the date of the financial position statement are presented in the annual report as long-term liabilities in the supplementary notes.

#### **Loans, including subordinated loans and borrowings**

Loans, including subordinated loans and borrowings, are initially recognised at fair value with less direct transaction costs. Subsequently, loans are recognised at amortised cost using the effective interest rate.

Recognition of temporary write-down bonds (Additional Tier 1, AT1 instruments)

Additional Tier 1 (AT1) temporary write-down bonds issued by the group are classified as liabilities in financial reporting in accordance with International Financial Reporting Standards (IFRS EU). The classification of the instruments is based on their economic substance rather than just their legal form, assessing their characteristics on the spectrum between liabilities and equity.

AT1 instruments represent perpetual, subordinated debt obligations, where interest payments may be canceled at the issuer's discretion, but such cancellation does not give investors the right to redeem the instrument or seek any other compensation. As the terms of the instruments do not provide the issuer with an unconditional right to avoid a financial obligation, they do not meet the definition of equity. The instruments have a fixed interest rate or a defined mechanism for determining the interest rate, indicating a contractual obligation to make financial payments. Additionally, AT1 instruments are subordinated to other liabilities, but they do not have the full characteristics of equity instruments, as they do not grant participation in the residual assets of the entity or voting rights.

For accounting purposes, AT1 instruments are initially recognized at fair value, with less transaction costs, and subsequently measured using the amortized cost method. Interest expense is recognized in the income statement as a financial cost, not as a dividend payment, because the classification of the instruments as liabilities means that payments are treated as interest expenses rather than distributions to owners.

Under the terms of the AT1 temporary write-down (Temporary Write-Down) bonds, the issuer is required, upon the occurrence of a predefined event ("Trigger Event"), to reduce the nominal value of the bonds (Outstanding Nominal Value) either partially or in full. Typically, the "Trigger Event" is associated with a decline in the bank or group's capital ratio (CET1 Ratio) below a contractual threshold (e.g., 5.125%), with the aim of preserving or restoring regulatory capital. Once this condition is met, the issuer has the contractual obligation to issue a "Write Down Notice" and reduce the carrying amount of the bonds, reflecting the corresponding changes in the securities register. From an IFRS perspective, this is classified as a liability, as the instrument does not meet equity criteria (the issuer does not have an "unconditional right" to avoid financial payments). The write-down is considered an accounting reduction of the issuer's liability, which is recorded as a positive impact in the income statement (under "other business income"), as it ultimately reduces the amount payable. The write-down does not constitute a typical breach of contract nor justify filing for bankruptcy but rather is a regulated part of the AT1 instrument's terms and complies with IFRS principles for the recognition of liabilities.

The terms of the AT1 instrument provide for the possibility that previously written-down nominal value (Outstanding Nominal Value) may later be reinstated (Write-Up or Reinstatement), if the group's capital ratio (CET1 Ratio) rises above the predetermined level. The contract specifies the procedure for issuing a "Reinstatement Notice," restrictions on the use of positive net profit (such as Maximum Distributable Amount), and other regulatory conditions that allow the instrument's nominal value to be increased

again. Since the decision to reinstate is at the issuer's discretion (i.e., voluntary) and IFRS does not require the implementation of this measure, reinstatement depends primarily on the management's decision and compliance with regulatory requirements. In accounting, each reinstatement is recognized as an increase in the liability, in accordance with IFRS requirements for financial instrument measurement. This means that if the bank's financial performance has improved sufficiently for the reinstatement threshold to be met, the liability value is increased, which may result in a corresponding adjustment in the income statement (e.g., reducing or reversing previously recognized gains from the write-down). Amounts and conditions related to reinstatement are adequately disclosed in the notes to the financial statements to provide stakeholders with a transparent view of the group's financial position, risks, and regulatory capital.

The write-down of AT1 instruments does not create an obligation to reinstate the nominal value of the instruments, except where the issuer decides, at its sole discretion, to reinstate the nominal value (write-up), provided the group achieves positive net profit and meets other regulatory requirements. However, such reinstatement is voluntary, and the issuer is under no obligation to restore the reduced amounts. Under the IFRS framework, financial instruments must be measured according to their contractual terms. Since the terms of this instrument do not require automatic reinstatement (write-up), but only define it as a discretionary option for the issuer, subject to clearly defined regulatory conditions, the gain from the temporary write-down of AT1 bonds does not meet the definition of a financial liability under IFRS 9, as it does not involve a definite obligation to make future cash payments or reinstate value.

AT1 instruments, according to their terms, are perpetual bonds, with interest calculated at a specific rate and paid out at intervals specified in the contract. Under IFRS treatment, these instruments are classified as liabilities, meaning that interest payments are recognized as interest expense, not as dividends. At the same time, the terms of the AT1 instruments provide the

issuer with the right to cancel interest payments, in whole or in part, if required for regulatory or business reasons (including applicable banking requirements, CET1 or distributable funds restrictions). Cancelled interest is not treated as a deferred tax liability or accumulated debt, but is considered permanently unpaid. Similarly, under the IFRS framework, there is no obligation to "capitalize" or accumulate interest if it is cancelled in accordance with the AT1 contract terms and the issuer's business decision. Therefore, only the portion of the interest that has not been cancelled (either directly or indirectly) under the contract is recognized as interest expense, ensuring compliance with both the AT1 agreement and IFRS requirements.

### **Deposits**

Deposits from customers are initially recorded on their settlement date at their fair value less transaction costs and are subsequently measured at amortised cost using the effective interest method in the statement of financial position line „Deposits“. Accrued interest liabilities are included in other liabilities. Interest expenses recognised in the statement of profit or loss line „Interest expense“.

### **Trade payables**

Trade payables are initially recognised at fair value less direct transaction costs and they are subsequently measured at amortised cost using the effective interest rate.

### **3.11 Contingent liabilities**

All possible or present obligations whose settlement is not probable or the amount cannot be measured with sufficient reliability, are disclosed as contingent liabilities in the notes to the financial statements.



### **3.12 Income tax and deferred tax**

Income tax is paid on fringe benefits, gifts, donations, costs of entertaining guests, dividends, and nonbusiness related disbursements. The corporate income tax calculated on the profit of the subsidiaries located in Lithuania, the effect of the change in deferred tax liabilities and assets and the income tax on dividends of Estonian companies are recognised in the consolidated statement of profit or loss.

#### **Corporate income tax in Estonia**

According to the Income Tax Act that entered into force in Estonia on January 1, 2000, corporate profits are not taxed; instead, tax is levied on distributed net dividends. Therefore, the Group's entities located in Estonia do not have differences between the tax bases and carrying amounts of assets and liabilities that would give rise to a deferred tax liability or asset. From 01.01.2015, the tax rate for profits distributed as dividends was 20/80 of the net amount paid out. The income tax arising from the payment of dividends is recognized as a liability and an expense at the moment the dividends are declared, regardless of the period for which they are declared or when they are actually paid. From 2019, it was possible to apply a tax rate of 14/86 to dividend payments. This preferential tax rate could be used for dividend payments up to the average dividend distribution of the three preceding financial years that were taxed at the 20/80 rate. In calculating the average dividend payment of the three preceding financial years, 2018 was the first year taken into account. From 2025, the taxation of dividends has been harmonized, and the tax rate for all dividends is 22/78. No provision is made for income tax on future dividends prior to the declaration of dividends, but information regarding this is disclosed in the notes.

**Corporate income tax in other countries**

The net profit of the Group's Lithuanian subsidiary is subject to corporate income tax; therefore, its income tax assets and liabilities, as well as tax expenses and income, include realized (payable) and deferred income tax. The income tax rate in Lithuania is 16% (17% starting from 2026), with an additional 5% applied to banks. Taxable profit is calculated from the corporate profit before tax, adjusted in tax declarations based on the requirements of local tax laws for temporarily or permanently allowed income and expense adjustments. Deferred income tax is calculated on all significant temporary differences between the values of assets and liabilities for tax purposes and financial accounting purposes. Deferred tax assets are recognized in the statement of financial position if it is probable that they will be realized in the future. In determining the amount of deferred income tax, tax rates that have entered into force or have been substantially enacted by the balance sheet date, and which are expected to apply when the underlying deferred tax asset is realized or the income tax liability is settled, are used.

Tax assets and liabilities for the current and prior periods are equal to the amount expected to be recovered from or paid to the tax authorities. Deferred income tax refers to differences between the carrying amount and the tax base, which form the basis for income tax payable in the future. Deferred tax liabilities refer to income tax associated with temporary differences that will be payable in the future. Deferred tax liabilities are recognized for all deferred tax liabilities arising from temporary differences. An exception is the situation where the company does not recognize a deferred tax liability arising from a temporary difference related to the initial recognition of goodwill; certain differences in the case of interests in subsidiaries are also exceptions. Deferred tax assets represent future tax reductions related to deductible temporary differences, tax losses carried forward, or other future tax reductions. Deferred tax assets are reviewed at each balance sheet date and recognized to the extent that it is probable they will be utilized at each balance sheet date. Therefore, previously unrecognized deferred tax assets are recognized when it becomes probable that sufficient surplus will be

available in the future to recover them.

Tax rates established or substantially established as of the reporting date are used in the calculations. The Group's deferred tax assets and liabilities are measured at nominal value, using the tax rate applicable in the respective country in subsequent years. Current and deferred income tax are recorded in the income statement under the line "Income tax." Since the parent company controls the dividend policy of its subsidiaries, it is able to control the timing of the reversal of temporary differences related to the investment in question. Thus, if the parent company has decided not to distribute such profits in the near future, it does not recognize a deferred tax liability. If the parent company has decided that dividends will be paid, a deferred tax liability is recognized to the extent of those payments.

**3.13 Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are accounted for as a deduction from consideration received and recognised under equity.

Where any Group entity repurchases the company's treasury shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Parent Company's equity holders until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Parent Company's equity holders.

**3.14 Capital reserve**

The Estonian Commercial Code requires companies to create a capital reserve from annual net profit. Each financial year, at least one twentieth of the net profit has to be transferred to the capital reserve until the capital reserve accounts for one-tenth of the share capital. The capital reserve may be used for covering losses and increasing share capital but not for making

distributions to shareholders.

### **3.15 Revenue recognition**

#### **Interest income**

The Group's main revenue stream is interest in income from lending activities. Interest income is received from secured loans, leasing, small loans, hire purchase contracts, overdraft and factoring contracts.

The effective interest method is applied to recognise interest income and interest expenses in profit or loss for financial assets and financial liabilities measured at amortised cost. The effective interest method is a method of calculating the gross carrying amount of a financial asset or the amortised cost of a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the carrying amount of the financial instrument. When calculating future payments, all payments included in the terms and conditions of the contracts, such as advance payments, are taken into consideration.

The calculation of the effective interest rate includes fees that are an integral part of the effective interest rate. However, expected credit losses are not taken into account. If a financial asset subsequently has become credit impaired the interest income is recognised applying the effective interest rate to the amortised cost, i.e. gross carrying amount adjusted for the loss allowance. In case a financial asset is credit impaired at initial recognition, the expected credit losses are included in the estimated cash flows to calculate a credit adjusted effective interest rate which then is applied to recognise

#### **Fee and commission income**

The Group receives fee and commission income mainly in the form of contract fees.

The recognition of revenue from contracts with customers is reported as fee and commission income. This does not apply to revenue from leasing contracts or financial instruments and other contractual obligations within the scope of IFRS 9 Financial Instruments. Fees that are included in the calculation of the effective interest rate of a financial instrument measured at amortised cost, such as loan origination fees, are allocated over the expected tenor of the instrument applying the effective interest method and presented in Net interest income.



Fee income is recognized based on how the service is provided and how the customer benefits from it, in an amount that reflects the consideration the company is entitled to in exchange for providing the service. If the service is provided over time, the fee income is recognized on a straight-line basis over the entire service period, provided that the customer simultaneously receives and consumes the benefits of the service. Variable fees are recognised only to the extent that management determines that it is highly probable that a significant reversal will not occur. Other fees and commission income are recognised at a point in time when the Group satisfies its performance obligation, usually upon execution of the underlying transaction. The amount of fee or commission received or receivable represents the transaction price for the services identified as distinct performance obligations.

### **3.16 Interest expenses**

Interest expenses are recorded on an accrual basis each month.

### **3.17 Dividend income**

Dividend income is recognised when the right to receive payment is established.

Dividend distribution. A dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

### **3.18 Share-Based Payments**

AS Finora Group has established a share-based payment option program, under which the Group issues options to employees and owners to buy shares of AS Finora Group in return for their services. The difference between the grant price of issued options and their fair value at the grant date is recognized as personnel expense over the vesting period of the option program and as an increase in equity (other reserves) within the Group. The total cost is determined by the fair value of the options at the time the options are issued. The fair value of the options is found based on actual transactions with the shares. At the end of each reporting period, the Group assesses how many options are likely to be exercisable. Changes compared to initial

estimates are recognized in the statement of profit or loss and with a corresponding adjustment to equity. When the options are exercised, AS Finora Group will issue new shares. According to the terms and conditions of the share options, there are no social tax expenses when exercising options after 3 years.

### **3.19 Related parties**

In preparing the financial statements of the Group, the following entities have been considered related parties:

- owners that have a significant impact and the entities related to them;
- members of the management board and legal entities controlled by them;
- members of the supervisory board;
- close relatives of the people mentioned above and the entities related to them.

### **3.20 Events after the reporting period**

The financial statements of the reporting period include material circumstances affecting the assessment of assets and liabilities that became evident between the balance sheet date and the date of preparing the financial statements but that are related to transactions in the reporting period or previous periods.

The financial statements of the Group are prepared in accordance with the principles of consistency and comparability, which means that the same accounting policies and presentation methods are continuously applied. Any changes in the accounting policies or presentation methods are only made upon the adoption or amendment of new IFRS standards or interpretations or if the new accounting policy or presentation method provides a more objective overview of the financial position, financial results and cash flows of the company.

### **3.21 Unconsolidated statements of the Parent Company presented in the notes to the consolidated statements**

According to the Accounting Act of the Republic of Estonia, the separate unconsolidated primary statements of the consolidating entity (parent company) are disclosed in the notes to the consolidated financial statements. In preparing the primary financial statements of the Parent Company, the same accounting policies

have been used as well in preparing the consolidated financial statements.

## **Note 4 Fair values of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. The value of short-term liquid financial instruments, such as cash and cash equivalents, and receivables with a maximum maturity of one month are deemed equal to their carrying amount in the balance sheet. The value of

trade and other payables with credit risk adjustment is also approximately equal to their carrying amount.

Based on the general principles, financial assets are broken down into three levels:

- Level 1 - quoted prices in an active and liquid market.
- Level 2 - valuation based on market observables (values and interest levels of arm's length transactions);
- Level 3 - other methods (e.g. discounted cash flow method) with estimations as input.

Amortized cost at the fair value of financial assets and liabilities has been determined in accordance with Level 3 principles, where the inputs to the assets or liabilities are not based on observable market data; except for cash and cash equivalents, the fair value of which has been determined in accordance with Level 1 principles. The fair value of financial investments carried out at fair value has been determined in accordance with Level 3 principles - based on the values of similar transactions.



(in euros)

31.12.2025	Level 1	Level 2	Level 3	Fair value	Carrying value
<b>Financial assets at fair value</b>					
Financial investments	0	0	529 565	529 565	529 565
<b>Total financial assets at fair value</b>	<b>0</b>	<b>0</b>	<b>529 565</b>	<b>529 565</b>	<b>529 565</b>
<b>Financial assets at amortized cost</b>					
Cash and equivalents	11 773 599	0	0	11 773 599	11 773 599
Loan receivables	0	0	89 169 971	89 169 971	89 169 971
Other receivables and prepayments	0	0	1 989 088	1 989 088	1 989 088
<b>Total financial assets at amortized cost</b>	<b>11 773 599</b>	<b>0</b>	<b>91 159 059</b>	<b>102 932 658</b>	<b>102 932 658</b>
<b>Financial liabilities at amortized cost</b>					
Deposits from clients	0	0	90 126 190	90 126 190	90 126 190
Loan liabilities	0	0	3 301 006	3 301 006	3 301 006
<i>Bonds</i>	0	0	1 611 006	1 611 006	1 611 006
<i>Other loan liabilities</i>	0	0	1 690 000	1 690 000	1 690 000
Payables and prepayments	0	0	1 392 651	1 392 651	1 392 651
Subordinated loans	0	0	2 311 825	2 311 825	2 311 825
<b>Total financial liabilities at amortized cost</b>	<b>0</b>	<b>0</b>	<b>97 131 672</b>	<b>97 131 672</b>	<b>97 131 672</b>

(in euros)

31.12.2024	Level 1	Level 2	Level 3	Fair value	Carrying value
<b>Financial assets at fair value</b>					
Financial investments	0	0	529 565	529 565	529 565
<b>Total financial assets at fair value</b>	<b>0</b>	<b>0</b>	<b>529 565</b>	<b>529 565</b>	<b>529 565</b>
<b>Financial assets at amortized cost</b>					
Cash and equivalents	9 311 844	0	0	9 311 844	9 311 844
Loan receivables	0	0	28 450 481	28 450 481	28 450 481
Other receivables and prepayments	0	0	1 951 208	1 951 208	1 951 208
<b>Total financial assets at amortized cost</b>	<b>9 311 844</b>	<b>0</b>	<b>30 401 690</b>	<b>39 713 534</b>	<b>39 713 534</b>
<b>Financial liabilities at amortized cost</b>					
Deposits from clients	0	0	27 714 094	27 714 094	27 714 094
Loan liabilities	0	0	6 892 700	6 892 700	6 892 700
<i>Bonds</i>	0	0	4 673 000	4 673 000	4 673 000
<i>Other loan liabilities</i>	0	0	2 219 700	2 219 700	2 219 700
Payables and prepayments	0	0	1 627 696	1 627 696	1 627 696
Subordinated loans	0	0	2 290 000	2 290 000	2 290 000
<b>Total financial liabilities at amortized cost</b>	<b>0</b>	<b>0</b>	<b>38 524 490</b>	<b>38 524 490</b>	<b>38 524 490</b>

## Note 5 Use of significant accounting judgements and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies.

### Significant accounting judgements

#### Assessment of receivables

At each balance sheet date, the Group assesses the collectability of the receivables recognised in the balance sheet. If there are signs of impairment of receivables, the receivables will be written down to the present value of their estimated future cash inflows. Receivables are assessed both on an individual basis and by performing the aging analysis of the receivables. Impairment losses are recognised as an expense in profit or loss.

Refer to the previous appendix on the ECL model and Appendix 6 on risk management.

### Significant accounting estimates

#### Assessment of the useful life of intangible assets

The useful life of intangible assets is determined based on the actual period of using the asset as estimated by the management. Management reviews the useful lives of intangible assets on a yearly basis at minimum. Currently the amortisation rate for licenses, software

and internally developed intangible assets is two to five years. For further details refer to Note for Intangible assets.

### Impairment of intangible assets

At each balance sheet date, the Group's management board assesses critically whether there is any indication that an asset may be impaired. If any such indication exists, an impairment test is performed. If an impairment test cannot be performed in respect of an individual asset because the cash flows generated by the given asset cannot be distinguished from the remaining cash flows of the company, the impairment test is performed in respect of the cash-generating unit to which the asset belongs. An impairment test is performed to determine

the recoverable amount of an asset, which is the higher of the two indicators - fair value

of an asset (less costs to sell) and its value in use. For estimating an

asset's value in use, a realistic estimate is prepared for the

cash flows to be derived from the use of the asset

in subsequent periods and the present value of these cash flows is

calculated. The budgets or forecasts approved by the management

for subsequent periods (generally no longer than five years) are used

as the basis for the cash flow estimate. The cash

flows of the periods beyond those covered by the budgets

and forecasts approved by the management are estimated by applying

realistic growth rates to current budgets or estimates.



## Note 6 Risk management

General principles for risk management

Risk is defined as a potential negative deviation from the expected financial result and the Group has taken into

consideration that in its business activities, it is exposed to several risks. The object of risk management is to recognise, measure and manage these risks adequately. On a wider scale, the purpose of risk management is to minimize potential losses and reduce the volatility of financial results. Risk management in the Group is based on the classic three-level risk management system with the following structure:

1. The first level consists of the departments of the Group and employees thereof whose duty is to understand and manage risks in their sphere of responsibility.
2. The second level consists of the persons independently in charge of risk management and compliance whose duty is to develop and manage the risk management and control mechanism and overall framework.
3. The third level consists of the internal audit who carries out an independent control over the adequacy of the risk management system and reports to the supervisory board of the Group.

The Group manages its risks first of all based on the definition of its risk capacity, i.e. which the maximum loss is that the Group is able to tolerate upon the materialization of risks. Risk tolerance has been defined as the maximum risk arising from the risk capacity that the Group is able to tolerate and this, in turn, serves as a basis for risk appetite, i.e. which risks the Group wants to take to achieve its objectives and which ones should be avoided. A risk profile has been created on the basis of the risk appetite as follows. The risk profile combines various risks arising from the specificity, scope, and complexity level of the operations of the Group as well as from its operating environment.

The risk management system comprises mapping all material risks, measuring exposure to these risks and quantifying the results, if possible, and ensuring the existence of sufficient capital to cover all material risks as well as Control thereof. The risk management system also comprises developing adequate measures for minimizing the probability of materialization of the risks and the adverse consequences arising from their possible materialization.

Thus, the risk management process established starts with the identification of the risks to which the Group is exposed, assessment of the risks, and compliance control thereof in respect of the risk profile. The risks to which the Group is exposed may be internal as well as external. The identification of risks starts from extensive mapping of the risks to which the Group may be exposed and, in the course of further analysis, a shorter list is compiled of the major risks whose risk categories are subject to a more detailed assessment.

As a result of its risk assessment process, the Group has found that the major risks to which it is exposed, which must be monitored and responded to with adequate countermeasures are as follows: credit risk (incl. concentration risk), liquidity risk, interest risk, operational risk, market risk and business and strategic risk. In addition, fields related to money laundering must also be pointed out in the risk assessment process.

### **Credit risk and concentration risk**

Credit risk is the risk of financial loss to the Group if customers or market counterparties fail to meet their contractual obligations to the Group. Credit risk arises principally from loans given to customers, including outstanding loans and given guarantees. The Group is also exposed, to a minor extent, to the risk through cash and cash equivalents position. Credit risk is one of the major risks and the management performs a detailed assessment of the positions exposed to credit risk. The purpose of the Group is to maintain well-diversified loan and guarantee portfolio at an accepted risk level.

The purpose of credit risk management is to limit the impact of the credit risks and other risks arising from customers on the income of the Group to an acceptable level and try to optimize the risk return ratio. This maximizes the risk-adjusted return while maintaining the credit risk parameters at an acceptable level. The credit risk management process consists of the initial identification of a given risk, risk assessment, risk management and subsequent monitoring as well as reporting.

Identification of a credit risk is based on the sources from which the risk originates, which is the bank's credit products such as factoring, micro loan, consumer loans

and loans secured by immovable property, each of which has its own risk level and factors that affect it, which are mapped and quantitatively assessed at this stage. The most important subcategories of credit risk are the customer's insolvency, default risk, risk of a decline in solvency, risk of fraud, concentration risk and market risk (as regards, first of all, the value of collaterals).

Credit risk assessment comprises the assessment of solvency and liquidity in respect of the loan or another financial product, valuation of collaterals as well as the terms and conditions of the loan. In the assessment process, customers are classified into various risk categories from low to high or very high risk.

In order to manage credit-related risks, the Group applies customer selection criteria on the basis of their risk profile and applies limits in terms of product and customer groups. Issues of importance in credit risk management are the principles of granting loans, decision making and loan analysis as well as the overall quality of the loan process. The Group uses scoring models to assess the creditworthiness of loan customers being private persons and legal persons, except for loans secured by immovable property and factoring (to forecast Credit quality and the probability of default). The validation of the models takes place when material changes occur, but no less often than once a year. The Group uses loan customers' scoring models in making credit decisions and choosing customers. Following the issue of a loan, the Group consistently assesses the customer's solvency and value of the collateral. The Group manages the credit risk in terms of the loan portfolio as a whole as well as in terms of individual loans. The credit risk is managed, taking also into consideration the ratio of the given risk to other material risks.

The credit risk monitoring and reporting function is different in the case of various products, ensuring that the most important risk parameters are observed and a sufficiently detailed overview of the loan portfolio is

always provided. The credit risk monitoring must ensure as early assessment of the decline in solvency and possible breach of the terms and conditions of the agreement as possible. It must ensure that the risk level is acceptable and the profitability of the Group is ensured as well as to prevent loan losses from occurring. To this end, the Group has developed internal information systems, which give early warnings of a possible increase in risks. The Group's cash is held in commercial banks with a credit rating of at least Baa2 based on Moody's ratings. As of December 31 2025, the Group's cash in commercial banks with a rating of at least A3 or higher amounted to 2 854 278 euros and Baa2 or higher was 3 094 965 euros. An additional 5 824 356 euros was held in the Target-2 account at the Central Bank of Lithuania. Target-2 is a real-time gross settlement system owned and operated by the Eurosystem. The funds held in the TARGET2 account at the Bank of Lithuania are used to manage the Group's daily liquidity and to meet financial obligations, ensuring fast and secure access to European payment systems. The account is subject to the reliable oversight and security framework of the Eurozone central banks. Furthermore, the cash held at the central bank allows for the earning of short-term interest income in accordance with the European Central Bank's monetary policy rates, providing the Group with a risk-free return on excess liquidity.

As of December 31 2024, the Group's cash in commercial banks with a rating of Aa3 was 4 953 730 euros and Baa2 was 35 591 euros. A total of 4 322 524 euros was held in the Target-2 account at the Central Bank of Lithuania

Concentration risk within the meaning of credit risk is defined as an increase in the risk level of exposures arising from related parties, parties operating in the same economic sector or parties belonging to the same geographic region. The Group assesses and manages the concentration risk through the establishment of limits and subsequent monitoring.

**Maximum exposure to credit risk**

The group's maximum exposure to Credit risk from financial instruments subject to impairment:

31.12.2025 (in euros)	Total	Stage 1	Stage 2	Stage 3
<b>Secured loans to clients</b>	<b>76 905 223</b>	71 129 976	3 835 858	1 939 390
Secured loans	<b>77 445 128</b>	71 371 562	3 885 453	2 188 114
Allowance for doubtful accounts	<b>-539 905</b>	-241 586	-49 595	-248 724
<b>Other loans to clients</b>	<b>13 394 220</b>	11 848 248	899 366	646 606
Factoring and other business loans	<b>13 938 025</b>	11 938 028	912 853	1 087 145
Allowance for doubtful accounts	<b>-543 805</b>	-89 780	-13 487	-440 539
<b>Prepaid future income</b>	<b>-1 378 997</b>	<b>-1 378 997</b>	<b>0</b>	<b>0</b>
<b>Prepaid future expenses</b>	<b>249 525</b>	<b>249 525</b>	<b>0</b>	<b>0</b>
<b>Total loan receivables to clients</b>	<b>89 169 971</b>	<b>81 848 752</b>	<b>4 735 224</b>	<b>2 585 996</b>

31.12.2024 (in euros)	Total	Stage 1	Stage 2	Stage 3
<b>Secured loans to clients</b>	<b>22 576 936</b>	20 769 552	1 226 751	580 633
Secured loans	<b>22 969 512</b>	20 937 278	1 240 130	792 105
Allowance for doubtful accounts	<b>-392 576</b>	-167 725	-13 379	-211 472
<b>Other loans to clients</b>	<b>6 209 003</b>	5 443 670	308 469	456 864
Factoring and other business loans	<b>8 230 140</b>	5 539 538	320 124	2 370 478
Allowance for doubtful accounts	<b>-2 021 136</b>	-95 869	-11 654	-1 913 614
<b>Consumer loans</b>	<b>44</b>	44	0	0
Consumer loans	<b>664 423</b>	10 908	0	653 516
Allowance for doubtful accounts	<b>-664 379</b>	-10 864	0	-653 516
<b>Prepaid future income</b>	<b>-408 420</b>	<b>-408 420</b>	<b>0</b>	<b>0</b>
<b>Prepaid future expenses</b>	<b>66 518</b>	<b>66 518</b>	<b>0</b>	<b>0</b>
<b>Other assets</b>	<b>6 400</b>	<b>6 400</b>	<b>0</b>	<b>0</b>
<b>Total loan receivables to clients</b>	<b>28 450 481</b>	<b>25 877 764</b>	<b>1 535 220</b>	<b>1 037 497</b>

**Distribution of Loan Portfolio by Geographical Regions and Sectors**

Geographical distribution: As of December 31 2025, loans to Estonian customers account for 28%, Lithuanian customers 71%, and Latvian customers 1% of the total portfolio. In comparison, as of December 31 2024, the share of Estonian customers was 67% and the share of Lithuanian customers was 33%.

**Distribution of the loan portfolio by business sector**

31.12.2025 (in euros)	Loan receivables, gross	Expected credit loss	Net portfolio
Wholesale and retail trade; repair of motor vehicles and motorcycles	16 363 598	-90 286	16 273 312
Construction	13 760 075	-272 488	13 487 587
Manufacturing	11 237 521	-103 779	11 133 742
Real estate activities	9 328 986	-43 810	9 285 176
Transportation and storage	8 358 282	-117 536	8 240 746
Financial and insurance activities	4 583 114	-3 661	4 579 453
Administrative and support service activities	4 570 889	-170 358	4 400 531
Information and communication	4 403 345	-61 154	4 342 191
Professional, scientific and technical activities	4 323 390	-17 325	4 306 065
Accommodation and food service activities	3 504 516	-14 531	3 489 985
Arts, entertainment and recreation	3 403 332	-89 504	3 313 828
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	2 351 321	-48 853	2 302 468
Agriculture, forestry and fishing	2 012 911	-23 506	1 989 405
Education	1 628 124	-3 324	1 624 800
Other service activities	806 684	-5 572	801 112
Human health and social work activities	398 851	-1 896	396 955
Electricity, gas, steam and air conditioning supply	170 460	-292	170 168
Mining and quarrying	131 307	-15 838	115 469
<i>Prepaid expenses for future periods</i>	249 525	0	249 525
<i>Prepaid revenues for future periods</i>	-1 378 997	0	-1 378 997
<i>Premium on purchased financial assets</i>	46 450	0	46 450
<b>TOTAL LOAN RECEIVABLES</b>	<b>90 253 684</b>	<b>-1 083 713</b>	<b>89 169 971</b>

31.12.2024 (in euros)	Loan receivables, gross	Expected credit loss	Net portfolio
Wholesale and retail trade; repair of motor vehicles and motorcycles	6 871 507	-663 664	6 207 843
Construction	5 911 789	-988 612	4 923 177
Manufacturing	5 044 760	-182 895	4 861 865
Information and communication	3 208 604	-87 832	3 120 772
Transportation and storage	2 249 922	-110 678	2 139 244
Arts, entertainment and recreation	1 735 096	-40 324	1 694 772
Administrative and support service activities	1 699 622	-60 765	1 638 857
Real estate activities	1 120 036	-27 420	1 092 616
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	1 479 944	-695 272	784 672
Financial and insurance activities	557 824	-496	557 328
Agriculture, forestry and fishing	644 978	-93 265	551 713
Professional, scientific and technical activities	463 071	-75 935	387 136
Mining and quarrying	312 352	-5 680	306 672
Accommodation and food service activities	204 444	-20 046	184 398
Other service activities	176 674	-22 657	154 017
Human health and social work activities	116 559	-2 007	114 552
Education	73 292	-543	72 749
<i>Prepaid expenses for future periods</i>	66 518	0	66 518
<i>Prepaid revenues for future periods</i>	-408 420	0	-408 420
<b>TOTAL LOAN RECEIVABLES</b>	<b>31 528 572</b>	<b>-3 078 091</b>	<b>28 450 481</b>

**Collateral and financial guarantees**

31.12.2025 (in euros)	Real estate-secured loans			
	Residential real estate	Commercial real estate	Other secured loans	Received financial guarantees
<b>Loans and advances</b>	<b>33 128 354</b>	<b>37 387 282</b>	<b>82 840 785</b>	<b>23 468 709</b>
In arrears (non-performing)	1 555 713	287 756	4 575 210	1 130 515
Non-financial institutions	31 272 723	34 942 110	73 342 249	21 357 972
Small and medium-sized enterprises (SMEs)	31 272 723	34 942 110	73 342 249	21 357 972
Households	299 918	2 157 416	4 923 326	980 222

31.12.2024 (in euros)	Real estate-secured loans			
	Residential real estate	Commercial real estate	Other secured loans	Received financial guarantees
<b>Loans and advances</b>	<b>26 729 693</b>	<b>14 121 555</b>	<b>37 972 686</b>	<b>10 517 672</b>
In arrears (non-performing)	697 162	185 056	2 261 585	1 979 064
Non-financial institutions	22 247 820	11 971 499	35 250 108	8 538 608
Small and medium-sized enterprises (SMEs)	22 247 820	11 971 499	35 250 108	8 538 608
Households	3 784 711	1 965 000	460 993	0

## Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its future obligations on time or in full. Significant sub-risks of liquidity risk include payment risk and financing risk. Payment risk is the risk that the Group will not be able to meet its obligations on time without incurring significant costs. Financing risk is the risk that the Group will not be able to raise sufficient resources without negatively affecting its daily operations or financial position. The overall goal of liquidity risk management is to ensure that the group has enough cash and liquid assets to meet its financial

obligations on time and to grow its loan portfolio. In managing liquidity risk, the Group ensures that there is sufficient liquidity at any given time to issue loans and cover other potential obligations. Financing is primarily through equity, loans, bonds, and deposits, and the Group forecasts cash flows to ensure that there is sufficient financial resources available to meet financial obligations at repayment deadlines and that there is enough time for refinancing preparation as deadlines approach.

## Distribution of the Group's financial assets and liabilities (undiscounted cash flows) by remaining maturities:

in euros	31.12.2025	Within 12 months	1 to 5 years	Over 5 years
<b>Financial Assets</b>				
Cash and cash equivalents	11 773 599	11 773 599	0	0
Loan receivables	89 169 971	7 775 466	66 074 455	15 320 050
Other receivables and prepayments	2 518 653	2 518 653	0	0
<b>Total financial assets</b>	<b>103 462 223</b>	<b>22 067 718</b>	<b>66 074 455</b>	<b>15 320 050</b>
<b>Financial Liabilities</b>				
Deposits	90 126 190	75 981 170	14 145 021	0
Loan liabilities	3 301 006	3 830 706	0	0
Bonds	1 611 006	1 611 006	0	0
Other loan liabilities	1 690 000	2 219 700	0	0
Other payables and prepayments	618 174	618 174	0	0
Subordinated loans	2 311 825	0	2 311 825	0
<b>Total financial liabilities</b>	<b>96 357 195</b>	<b>80 430 050</b>	<b>16 456 846</b>	<b>0</b>
<b>Duration Gap of Financial Assets and Liabilities</b>	<b>7 105 028</b>	<b>-58 362 332</b>	<b>49 617 609</b>	<b>15 320 050</b>

in euros	31.12.2024	Within 12 months	1 to 5 years	Over 5 years
<b>Financial Assets</b>				
Cash and cash equivalents	9 311 844	9 311 844	0	0
Loan receivables	28 450 481	5 275 300	20 494 308	2 680 874
Other receivables and prepayments	2 480 774	2 480 774	0	0
<b>Total financial assets</b>	<b>40 243 099</b>	<b>17 067 918</b>	<b>20 494 308</b>	<b>2 680 874</b>
<b>Financial Liabilities</b>				
Deposits	27 714 094	14 081 805	13 632 289	0
Loan liabilities	6 892 700	3 892 700	0	3 000 000
Bonds	4 673 000	1 673 000		3 000 000*
Other loan liabilities	2 219 700	2 219 700	0	0
Other payables and prepayments	851 865	851 865	0	0
Subordinated loans	2 290 000	0	0	2 290 000
<b>Total financial liabilities</b>	<b>37 748 659</b>	<b>18 826 370</b>	<b>13 632 289</b>	<b>5 290 000</b>
<b>Duration Gap of Financial Assets and Liabilities</b>	<b>2 494 440</b>	<b>-1 758 452</b>	<b>6 862 019</b>	<b>-2 609 127</b>

\*Perpetual. See note 16 for details.

### Interest Rate Risk

Interest rate risk arises from the mismatch between on-balance sheet and off-balance sheet assets and liabilities in relation to changes in interest rates, as well as the potential for the fair value of financial instruments to change negatively due to a decrease in the present value of future cash flows resulting from interest rate changes. The goal of monitoring and managing interest rate risk is to assess the profitability of the group's interest-bearing products, forecast profits for future periods, and avoid a significant decline in profitability due to interest rate changes. To achieve this, the group monitors interest rate-sensitive positions to ensure they are accurately defined, followed, and controlled. The loans issued by the group have fixed interest rates, and the majority of financial liabilities also have fixed interest rates, so fluctuations in interest rates in the short term do not have a significant impact on the financial position. The overall level of interest rates indirectly affects the interest rates on loans issued (although market competition is a more important factor) and the expected interest rate for financing liabilities in the future. The group's management analyzes market

conditions and avoids situations in the loan product pricing where an increase in interest expenses could have a critical impact on financial results.

### Operational Risk

Operational risk is the potential for loss resulting from errors or inefficiencies in people, processes, or information systems. This risk includes reputational risk and legal risk, but excludes strategic and business risks, which are assessed separately. Legal risk is the risk that a legitimate party cannot enforce its rights or expect fulfilment of obligations because the obligated party fails to meet their commitments. Reputational risk refers to negative public attention towards the Group and its business activities, regardless of its truthfulness, which leads to a reduction in the customer base, a decrease in revenue, and an increase in legal costs. All products, services, activities, and processes are exposed to operational risk, and operational risk management plays a significant role within the Group's overall risk management system. In managing this risk category, the first step is risk identification and measurement (where quantitatively possible). Then, it is ensured that sufficient

monitoring and control mechanisms are developed and implemented, followed by finding measures to mitigate these risks. Operational risks are reported to the Group's management board and supervisory board. To reduce operational risks, the Group defines and documents all critical business processes, follows strict rules for task and responsibility assignments, and continually develops its information systems.

## **Market Risk**

Market risk is the risk arising from unfavorable movements in market prices. Although market risks are generally significant for companies operating in the credit sector, the Group has assessed the proportion of this risk as low, as there are no assets or liabilities directly exposed to market risks.

## **Business Risk and Strategic Risk**

Business risk and strategic risk are risks arising from potential revenue declines due to changes in the operating environment or incorrect business decisions, the improper implementation of decisions, or insufficient adjustments in the Group's operations in response to general changes in the business environment. Business risk is the risk that the Group will earn lower profits than expected or incur a loss. Strategic risk arises from negative consequences if the Group's management makes wrong decisions regarding strategy, products, distribution channels, or other aspects that directly impact the business. The Group's areas of activity are exposed to risks that may negatively affect the planned financial results. In particular, this is related to intense competition in key operational areas. The Group mitigates these risks by offering fast and flexible financing solutions that are in strong demand in the market and continuously works on their further improvement to distinguish itself from competitors. In its business operations, the Group is not only focused on gaining market share from existing similar service providers but also on expanding the market by introducing financing opportunities, especially to small and medium-sized enterprises.

The Group also mitigates these risks through an efficient management structure, clear role and responsibility allocation, ensuring that the board and supervisory board have sufficient information to make quality management decisions, and that these

decisions are communicated and implemented across the entire organization. The Group applies regulatory management principles while being aware of the importance of an open and dynamic organizational culture. Employees are continuously trained to ensure the practical application of sufficient knowledge and skills, decision-making quality, and accountability. The Group's long-term goals, which include adequate profitability and customer and employee satisfaction, must ensure that the Group responds quickly to changing customer expectations. Established goals are continuously measured and analysed.

## **Anti-Money Laundering**

The risk of money laundering and terrorist financing is the risk that the Group's products are used for money laundering or terrorist financing, which can manifest as reputational or compliance risk. Reputational risk is the risk that actual or suspected involvement in money laundering or terrorist financing leads to significant negative impact on the Group's financial results, accompanied by the realization of compliance risk. Compliance risk is the risk that the Group fails to comply with the rules set for preventing money laundering and terrorist financing, especially with respect to the implementation of due diligence obligations, which could result in fines or the withdrawal of licenses. To combat money laundering, the Group's management monitors the compliance of its business activities with established rules and the existence and adequacy of internal procedures and control systems. When analysing projects and engaging investors, applicable regulations are also adhered to, and employees are aware and sufficiently informed to identify potential risks of money laundering and terrorist financing at the earliest stage possible.

Additionally, the Group's business model is based on principles that help mitigate these risks. The Group does not provide payment services, its clients are located in the Baltic countries, it does not offer products or services to non-residents, and all clients are customers of credit institutions from the European Union (primarily Estonia and Lithuania).

## **Capital Management**

The goal of the Group's capital management is to ensure

the availability of sufficient capital reserves to support business activities, cover significant risks, and meet regulatory requirements in both normal and stressed conditions. According to management principles, the Group considers as capital all components that contribute to ensuring regulatory capital ratios, including share capital and share premium, subordinated loans, and additional Tier 1 (AT1) and Tier 2 instruments. From an accounting perspective, these are recognized under IFRS EU principles as either liabilities or equity, but from a capital management standpoint, they are assessed as a unified whole, taking into account the applicable banking supervision framework.

The Group's Capital Management includes:

- Regular monitoring and assessment of capital calculations and ratios (such as the Common Equity Tier 1 (CET1) capital requirement or adequacy ratio, Tier 1 capital requirement or adequacy ratio, and Total Capital Adequacy Ratio), including the

calculation of risk-weighted assets (RWA) and comparison of results with established minimum requirements.

- Conducting stress tests to assess the sufficiency of capital buffers under potential unfavorable market or economic conditions.
- Preparing capital forecasts and plans that take into account the business strategy, risk appetite, and potential changes in the financial and regulatory environment.
- Buffers set aside to cover risks (e.g., systemic or counter-cyclical capital buffers), which are applied in accordance with regulatory authority requirements or internal risk policies.
- Decision-making processes regarding potential capital-raising measures (such as issuing additional AT1 or Tier 2 instruments, distributing profits, or imposing restrictions on payments) to ensure that Finora maintains a sufficient capital position over the long term.

**The consolidated regulatory ratios of Finora Group are presented in the table below:**

31.12.2025	Regulatory Requirement, %	Finora Group Data, %
Common Equity Tier 1 (CET1) Capital Adequacy Ratio	8	10.1
Tier 1 Capital Adequacy Ratio	9.5	10.1
Total Capital Adequacy Ratio	11.5	13
Leverage Ratio	3	4.76
Liquidity Coverage Ratio (LCR)	>100	>100
Net Stable Funding Ratio (NSFR)	>100	>100
Large Exposure	<25% TIER1	Non-compliance (30.03%)

31.12.2024	Regulatory Requirement, %	Finora Group Data, %
Common Equity Tier 1 (CET1) Capital Adequacy Ratio	8	8.98
Tier 1 Capital Adequacy Ratio	9.5	23.71
Total Capital Adequacy Ratio	11.5	31.61
Leverage Ratio	3	11.48
Liquidity Coverage Ratio (LCR)	>100	>100
Net Stable Funding Ratio (NSFR)	>100	>100
Large Exposure	<25% TIER1	Compliance

## Note 7 Loan receivables

in euros	31.12.2025	Allocation by remaining maturity		
		Within 12 months	1-5 years	5 over years
<b>Secured loans to clients</b>	<b>76 905 223</b>	<b>7 548 524</b>	<b>55 014 464</b>	<b>14 342 235</b>
Secured loans	77 445 129	7 826 032	55 242 729	14 376 368
Allowance for doubtful accounts	-539 906	-277 508	-228 265	-34 133
<b>Other loans to clients</b>	<b>13 394 220</b>	<b>1 356 414</b>	<b>11 059 991</b>	<b>977 815</b>
Factoring and other business loans	13 938 026	1 556 759	11 399 016	982 251
Allowance for doubtful accounts	-543 805	-200 344	-339 026	-4 435
Prepaid future income	-1 378 997	-1 378 997	0	0
Prepaid future expenses	249 525	249 525	0	0
<b>Total loan receivables to clients</b>	<b>89 169 971</b>	<b>7 775 466</b>	<b>66 074 455</b>	<b>15 320 050</b>

in euros	31.12.2024	Allocation by remaining maturity		
		Within 12 months	1-5 years	5 over years
<b>Secured loans to clients</b>	<b>22 576 936</b>	<b>2 905 912</b>	<b>17 008 521</b>	<b>2 662 503</b>
Secured loans	22 969 512	3 082 738	17 200 789	2 685 985
Allowance for doubtful accounts	-392 576	-176 826	-192 269	-23 482
<b>Other loans to clients</b>	<b>6 209 003</b>	<b>2 704 846</b>	<b>3 485 787</b>	<b>18 370</b>
Factoring and other business loans	8 230 140	4 203 964	4 007 249	18 928
Allowance for doubtful accounts	-2 021 136	-1 499 118	-521 461	-557
Consumer loans	664 423	590 123	74 300	0
Allowance for doubtful accounts	-664 379	-590 079	-74 300	0
Prepaid future income	-408 420	-408 420	0	0
Prepaid future expenses	66 517	66 517	0	0
Other	6 400	6 400	0	0
<b>Total loan receivables to clients</b>	<b>28 450 481</b>	<b>5 275 299</b>	<b>20 494 308</b>	<b>2 680 874</b>

<b>in euros</b>			
<b>Loan type</b>	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>Collateral</b>
Secured loans	76 905 223	22 576 936	Mortgage, guarantees
Business loans	200 947	377 021	Surety
Factoring	740 211	2 333 541	Factoring invoices
Leasing	12 453 062	3 498 442	Leased assets
Consumer loans	0	44	Unsecured
<i>Prepaid future income</i>	-1 378 997	-408 420	
<i>Prepaid future expenses</i>	249 525	66 517	
<i>Other assets</i>	0	6 400	
<b>Total</b>	<b>89 169 971</b>	<b>28 450 481</b>	

Similarly to previous years, all loans have been issued in euros with maturities ranging from 6 months to 20 years (excluding factoring agreements, where the period for a factored invoice is typically 30-90 days). The annual interest rates for loans and factoring range from 7-25%, and the effective interest rate does not differ significantly from the contractual interest rate.

Given that financing activities are primarily conducted through Finora Bank UAB and the Estonian branch of Finora Bank UAB, AS Finora Group relinquished its credit provider license in January 2026. Moving forward, the parent company will focus primarily on holding functions, managing and coordinating the strategic activities and financing of its subsidiaries. In connection with this, AS Finora Group (the parent company) reduced its loan portfolio to zero as of December 31 2025, by realizing the remaining loans to external parties as well as to the Estonian branch of Finora Bank UAB (see also Note 24 Related Parties).

## Note 8 Receivables and prepayments

in euros	Allocation by remaining maturity			Note
	31.12.2025	within 12 months	1-5 years	
<b>Other receivables</b>				
Other receivables	1 683 193	715 003	968 190	
Tax prepayments	70 676	70 676	0	10
Prepaid expenses	235 220	235 220	0	
<b>Total receivables and prepayments</b>	<b>1 989 088</b>	<b>1 020 898</b>	<b>968 190</b>	

in euros	Allocation by remaining maturity			Note
	31.12.2024	within 12 months	1-5 years	
<b>Other receivables</b>				
Other receivables	1 617 474	757 974	859 500	
Tax prepayments	92 966	92 966	0	10
Prepaid expenses	240 768	240 768	0	
<b>Total receivables and prepayments</b>	<b>1 951 208</b>	<b>1 091 708</b>	<b>859 500</b>	

in euros	31.12.2025	31.12.2024
<b>Other receivables</b>		
Loan receivables from AS Bankish	1 189 131	859 500
Interest receivables from AS Bankish	295 983	187 523
Provision for AS Bankish loans and interest receivables	-220 941	0
AT1 interest receivable	206 560	206 560
Banking system modules purchased from AS Bankish	0	330 631
Other	212 459	33 261
<b>Total Other receivables</b>	<b>1 683 193</b>	<b>1 617 474</b>

During the reporting year, the receivable from AS Bankish in the amount of 330 631 euros, which was recognized as of December 31 2024 for the sale of modules, was restructured into a loan. Interest receivables as of December 31 2025 were 39 749 euros, including the interest portion for both 2024 and 2025 (due to the low materiality of the amount, the 2024 interest resulting from the restructuring was recognized in 2025 expenses). The maturity date for both loans granted to AS Bankish is December 31 2027, and the interest rate is 8% per annum.

## Note 9 Financial investments

in euros	31.12.2025	31.12.2024
Financial investments	529 565	529 565
<b>Total Financial investments</b>	<b>529 565</b>	<b>529 565</b>

For 2025 and 2024, the fair value measurement was based on a discounted cash flow (DCF) model. Revenue for the year following the reporting year is based on actual projects and volumes currently in the negotiation stage, while for subsequent periods, it is assumed that a similar trend will continue. A very conservative discount rate of 25% and a conservative terminal value growth rate of 2% were applied in the analysis. The discounted cash flow analysis confirmed that the estimated value of the investment is at least equal to the amount recognized in the balance sheet, multiplied by the invested ownership interest.

In 2023, the fair value measurement was based on actual transactions involving the company's shares. Transactions took place in 2023, 2022, 2021, and 2020, a significant portion of which were between independent parties.

## Note 10 Tax prepayments and tax payables

in euros	31.12.2025 Tax prepayments	31.12.2025 Tax payables	31.12.2024 Tax prepayments	31.12.2024 Tax payables	Note
Corporate income tax	0	0	479	0	
Value-added tax	56 325	62 127	8 840	0	
Personal income tax	7 290	0	45 277	0	
Social security tax	44 615	0	70 042	0	
Contributions to mandatory funded pension	788	0	380	0	
Unemployment insurance premium	1 097	0	1 103	0	
Net of prepayment account	0	8 549	0	92 966	8
<b>Total tax prepayments and liabilities</b>	<b>110 115</b>	<b>70 676</b>	<b>126 121</b>	<b>92 966</b>	

The company does not have any overdue tax payables.

The tax authorities have the right to verify the Company's tax records up to 5 years from the time of filling the tax return and upon finding errors, imposing additional taxes, interest, and fines.

The Company's management estimates that there are not any circumstances that may lead the tax authorities to impose additional significant taxes on the Company.

## Note 11 Subordinated Loans

The balance of subordinated loan liabilities as of December 31 2025 and December 31 2024 was 2 290 000 euros, with interest rates ranging from 11-12% and maturity dates between 2029-2030. No changes occurred in the subordinated loan balance during 2025 and 2024. In 2025, the subordinated loans line in the balance sheet also includes accrued interest on subordinated loans. In 2024, interest was recognized under the interest liabilities line. The subordinated loans are issued in euros.

Interest expenses on subordinated loans for the reporting period and the interest liability as of the end of the reporting period are presented in the table below. Interest liabilities are recognized in the statement of financial position using the effective interest rate. The nominal interest rate of subordinated loans is equal to their effective interest rate, as no other associated fees have been paid.

in euros	Total
<b>Accrued interest on subordinated loans as at 01.01.2024</b>	<b>21 825</b>
Interest calculated for 2024	261 900
Interest paid during 2024	261 900
<b>Accrued interest on subordinated loans as at 31.12.2024</b>	<b>21 825</b>

in euros	Total
<b>Accrued interest on subordinated loans as at 01.01.2025</b>	<b>21 825</b>
Interest calculated for 2025	261 900
Interest paid during 2025	261 900
<b>Accrued interest on subordinated loans as at 31.12.2025</b>	<b>21 825</b>

## Note 12 Tangible assets

in euros	Computers and IT systems	Other property, plant and equipment	Total
<b>31.12.2023</b>			
Cost	74 717	93 227	167 944
Accumulated depreciation	-38 664	-38 367	-77 031
<b>Carrying amount</b>	<b>36 053</b>	<b>54 860</b>	<b>90 913</b>
Additions and improvements	25 054	71 390	96 444
Sale	0	-29 043	-29 043
Depreciation	-16 889	-23 376	-40 265
<b>31.12.2024</b>			
Cost	99 771	129 174	228 945
Accumulated depreciation	-55 553	-61 743	-117 296
<b>Carrying amount</b>	<b>44 218</b>	<b>67 431</b>	<b>111 649</b>
Additions and improvements	26 547	0	26 547
Depreciation	-22 567	-21 841	-44 408
<b>31.12.2025</b>			
Cost	126 318	129 174	255 493
Accumulated depreciation	-78 120	-83 584	-161 705
<b>Carrying amount</b>	<b>48 197</b>	<b>45 590</b>	<b>93 788</b>

No impairment of assets occurred during the reporting period or in 2024.

## Note 13 Intangible assets

in euros	Software	Other intangible assets	Total
<b>31.12.2023</b>			
Cost	444 911	426 875	871 785
Accumulated depreciation	-205 083	-100 775	-305 858
<b>Carrying amount</b>	<b>239 828</b>	<b>326 099</b>	<b>565 927</b>
Additions and improvements	97 630	0	97 630
Depreciation costs	-55 366	-37 224	-92 590
<b>31.12.2024</b>			
Cost	542 541	426 875	969 415
Accumulated depreciation	-260 449	-138 000	-398 448
<b>Carrying amount</b>	<b>282 092</b>	<b>288 875</b>	<b>570 967</b>
Depreciation costs	-91 600	-41 512	-133 112
<b>31.12.2025</b>			
Cost	542 541	426 875	969 415
Accumulated depreciation	-352 049	-179 512	-531 560
<b>Carrying amount</b>	<b>190 492</b>	<b>247 363</b>	<b>437 855</b>

No impairment of assets occurred during the reporting period or in 2024.

## Note 14 Subsidiaries

Shares in subsidiary	31.12.2025	31.12.2024
Name of subsidiary	Finora Bank UAB	Finora Bank UAB
Registration number	305156796	305156796
Country of residency	Lithuania	Lithuania
Ownership share	100%	100%
Share nominal value	1 EUR	1 EUR
Share Capital and other reserves*	18 370 000 EUR	12 870 000 EUR
Expenses related to establishment	10 473 EUR	10 473 EUR
<b>Total</b>	<b>18 380 473 EUR</b>	<b>12 880 473 EUR</b>

Shares in subsidiary	31.12.2025	31.12.2024
Name of subsidiary	Finora Factoring OÜ	Finora Factoring OÜ
Registration number	14439107	14439107
Country of residency	Estonia	Estonia
Ownership share	100%	100%
Share nominal value	1 EUR	1 EUR
Ownership nominal value	10 000 EUR	10 000 EUR
Expenses related to establishment	190 EUR	190 EUR
<b>Total</b>	<b>10 190 EUR</b>	<b>10 190 EUR</b>

\*This line reflects share capital of 10 870 000 euros and other reserves of 7 500 000 euros as of 31.12.2025. In 2025, the parent company AS Finora Group invested an additional 7 500 000 euros into the subsidiary Finora Bank UAB, which was recorded as other reserves in the subsidiary as of 31.12.2025; of this amount, 2 000 000 euros had already been paid in December 2024 and was recorded in the subsidiary as unregistered share capital as of 31 December 2024, and was converted into other reserves in 2025. As of 31.12.2024, this line reflects share capital of 10 870 000 euros and unregistered share capital of 2 000 000 euros.

## Note 15 Deposits

As of December 31 2025 and December 31 2024, all deposits were term deposits and consisted primarily of deposits from individuals. For the majority of customers, nominal interest rates equal their effective interest rates, as no other significant fees have been paid. Customer contributions are all in euros and were largely obtained through the Raisin platform from Germany. The average interest rate in 2025 was 2,77% (2024: 3,47%). The distribution of customer deposits by remaining maturity is as follows:

(in euros)

Term (residual maturity) w/o accrued interest	31.12.2025	31.12.2024
1 year	75 981 170	14 081 805
2 years	11 425 573	9 458 166
3 years	2 624 492	2 150 640
4 years	290 525	283 602
5 years	0	1 846 801
Transaction costs	-195 569	-106 920
<b>Total</b>	<b>90 126 190</b>	<b>27 714 094</b>

## Note 16 Loan liabilities and deposits

in euros	Allocation by remaining maturity				Due date	Interest	Currency
	31.12.2025	within 12 months	1-5 years	over 5 years			
<b>Deposits from clients</b>							
Deposits from clients	90 126 190	75 981 170	14 145 021	0	2026-2029	2.77% (average)	EUR
<b>Other loans</b>							
Legal entities	1 690 000	1 690 000	0	0	2029	Euribor +5.5%	EUR
<b>Bonds</b>							
Bonds	1 611 000	1 611 000	0	0	2026	9%	EUR
AT1 Bonds	6	6	0	0	Perpetual	12% and 15%	EUR
<b>Total bonds</b>	<b>1 611 006</b>	<b>1 611 006</b>	<b>0</b>	<b>0</b>			
<b>Subordinated loans</b>							
Subordinated loans	2 311 825	0	2 311 825	0	2029-2030	11-12%	EUR
<b>Total loan liabilities</b>	<b>95 739 022</b>	<b>79 282 176</b>	<b>16 456 846</b>	<b>0</b>			

in euros	Allocation by remaining maturity				Due date	Interest	Currency
	31.12.2024	within 12 months	1-5 years	over 5 years			
<b>Deposits from clients</b>							
Deposits from clients	27 714 094	14 081 805	13 632 289	0	2025-2029	3.47% (average)	EUR
<b>Other loans</b>							
Legal entities	2 219 700	2 219 700	0	0	2025-2027	Euribor +5.5%	EUR
<b>Bonds</b>							
Bonds	1 673 000	1 673 000	0	0	2025	9%	EUR
AT1 Bonds	3 000 000	0	0	3 000 000	Perpetual	12% and 15%	EUR
<b>Total bonds</b>	<b>4 673 000</b>	<b>1 673 000</b>	<b>0</b>	<b>3 000 000</b>			
<b>Subordinated loans</b>							
Subordinated loans	2 290 000	0	1 000 000	1 290 000	2029-2030	11-12%	EUR
<b>Total loan liabilities</b>	<b>36 896 794</b>	<b>17 974 505</b>	<b>14 632 289</b>	<b>4 290 000</b>			

**Loans from legal entities**

As of December 31 2025, loans from legal entities include a loan from the EIF (European Investment Fund) in the amount of 1 690 000 euros (December 31 2024: 2 210 000 euros), which is subject to certain financial covenants in the form of ratios. As of December 31 2025, the Group was not in compliance with the EIF's requirements regarding the stipulated ratios (Leverage Ratio, Current Ratio, and Cost-to-Income Ratio); the same ratios were also in breach as of December 31 2024. According to the agreement, the EIF has the right to demand early repayment of the loan. Consequently, as of December 31 2025 and December 31 2024, the loan is classified as a short-term liability. Despite the non-compliance with certain financial ratios as of December 31 2024, the right to demand early repayment was not exercised. Management believes that no such demand will occur during the current year either. This assessment is based on the previous year's experience and management's readiness to find solutions in cooperation with the EIF by reviewing the continued relevance of the established ratios and future plans.

**Bonds**

As of December 31 2025, bonds amounted to 1 611 000 euros (December 31 2024: 1 673 000 euros). The original maturity of the bonds was April 2022, which has been extended in subsequent periods. An extension also took place in 2025, with the new maturity date set for September 2026. As of December 31 2025, the bonds were secured by pledges of claims arising from loan agreements and a pledge of bank accounts. At the end of the reporting period, the largest portion of the collateral consisted of the pledge of claims from loan agreements, whereas as of December 31 2024, it was the account pledge. As of December 31 2024, the collateral included mortgages, pledges of claims from loan agreements, and a account pledge. The bond collateral must cover the obligations arising from the bonds by at least 105%. The total amount of secured assets was above the required level as of both December 31 2025 and December 31 2024.

**AT1 Bonds**

In August and December 2024, Finora Group issued a total of 6 450 000 euros worth of perpetual subordinated Additional Tier 1 (AT1) temporary write-down notes. These instruments are part of the Group's Additional Tier 1 capital (but not CET1) and are designed to strengthen the capital base in accordance with European Union banking regulations. AT1 notes are perpetual, meaning they have no fixed maturity date and the issuer has no obligation to repay them. The interest rate is fixed at 12% (for the 3 000 000 euros issuance) and 15% (for the 3 450 000 euros issuance) per annum, and interest payments are entirely at the issuer's discretion, depending on regulatory restrictions and profit distribution capabilities. The instruments include a loss-absorption mechanism, according to which a temporary or full write-down occurs if the Group's CET1 ratio falls below 5.125%. However, the nominal value of the notes may be reinstated if the Group's capital position improves and this is permitted under applicable regulations. Early redemption of the notes is possible only after five years and solely with regulatory approval and under certain conditions, including the replacement of capital with instruments of equivalent or higher quality.

As the Group's consolidated Common Equity Tier 1 (CET1) ratio fell below the threshold stipulated in the agreement in 2024, the loss-absorption mechanism provided in the AT1 note terms was triggered. As a result, the nominal value of the instruments was partially written down as of December 31 2024, which was recognized in other operating income in the amount of 3 450 000 euros. As of December 31 2024, 3 000 000 euros of AT1 liabilities remained and were recognized as a liability in the balance sheet. During the reporting year, the value of the notes was further reduced, leaving only the minimum rate required by the note terms of 1 cent per note, totaling 6.45 euros, and 2 999 993.55 euros was recognized in other operating income during the reporting period.

The effective interest rate of loans and bonds does not differ significantly from the contractual interest rate. Information regarding subordinated loans is provided in Note 11 and regarding deposits in Note 15.

See also Note 6 Risk Management.

## Note 17 Other payables and prepayments

in euros	31.12.2025	Within 12 months	1-5 years	31.12.2024	Within 12 months	1-5 years	Note
Trade payables	42 470	42 470	0	78 353	78 353	0	
Payables to employees	388 643	388 643	0	336 615	336 615	0	
Tax liabilities	110 115	110 115	0	171 467	171 467	0	10
Other liabilities	779 278	779 278	0	1 012 235	1 012 235	0	
Interest liabilities	618 174	618 174	0	851 865	851 865	0	
Other accrued expenses	161 104	161 104	0	160 370	160 370	0	
Prepayments received	72 145	72 145	0	29 026	29 026	0	
<b>Total payables and prepayments</b>	<b>1 392 651</b>	<b>1 392 651</b>	<b>0</b>	<b>1 627 696</b>	<b>1 627 696</b>	<b>0</b>	

## Note 18 Share capital, share premium and other reserves

in euros	31.12.2025	31.12.2024
Share capital	791 274	639 815
Number of shares (pcs)	7 912 740	6 398 150
Nominal value of shares, EUR	0.1	0.1
Unregistered share capital, EUR	0	0
Share premium, EUR	14 970 322	9 708 005
Other reserves, EUR	450 849	319 698

Share capital increased by 151 459 euros in 2025; all contributions were made in cash. Share premium increased by 5 262 317 euros in 2025; all contributions were made in cash. In 2024, share capital increased by 88 142 euros; all contributions were made in cash. Share premium increased by 2 499 742 euros in 2024; all contributions were made in cash.

In 2023, a stock split was carried out, as a result of which the nominal value of shares changed from the previous 1 euro to 10 cents, while simultaneously increasing the number of shares tenfold. This change did not affect the total amount of the company's share capital in euros. The Group has issued options. To calculate the current values of the originally issued options (after the stock split), the number of options must be multiplied by 10 and the share value at the time the option was granted must be divided by 10; there is likewise no impact on the total amount in euros.

Since 2022, the Group has been issuing share options to owners, board members, department heads, and key employees. The exercise period for the options is three years, and the issuance of shares underlying the options takes place at the annual general meeting of shareholders or at an extraordinary meeting of shareholders close

to the arrival of the exercise deadline. The reserve for issued options as of 31.12.2025 was 450 849 (31.12.2024: 319 698) euros. The corresponding expenses in the income statement were 131 150 euros in 2025 (143 109 euros in 2024).

The Black-Scholes model is used to calculate the fair value of options, which uses the share price, volatility, and the risk-free interest rate as inputs. Employees do not have the right to withdraw the option amount in cash. Options cannot be exchanged, sold, pledged, or encumbered. Options are inheritable. An option agreement expires if an employee leaves the company before the exercise deadline, although the supervisory board may decide otherwise. Information regarding the issuance and cancellation of options is provided below. In 2025, the exercise deadline for options issued in 2022 arrived. No options were exercised during the reporting year or the preceding year.

The granting of options has occurred on two occasions—in December 2022 and May 2023. The table below provides an overview of both instances. The table presents information in denominations both before and after the stock split. The cancellations shown in the table are due to board members and employees leaving the company.

Outstanding options (in euros)	Before stock split value	After stock split value	Before stock split value	After stock split value
Grant date	December 2022	December 2022	May 2023	May 2023
Exercise date	December 2025	December 2025	May 2026	May 2026
Share value at grant date	32,6	3,26	57	5,7
Number of options granted	28 600	286 000	2 200	22 000
Cancellation 2023	-6 450	-645 000	0	0
Balance 31.12.2023	22 150	221 500	2 200	22 000
Cancellation 2024	-4 600	-46 000	0	0
Balance 31.12.2024	17 550	175 500	2 200	22 000
<b>Total balance as of 31.12.2024: 19 750 units before stock split and 197 500 units after stock split.</b>				
Cancellation 2025	-1 500	-15 000	0	0
Balance 31.12.2025	16 050	160 500	2 200	22 000

**Total balance as of 31.12.2025: 18 250 units before stock split and 182 500 units after stock split.**

The Company has no contingent liabilities (related to dividends) as of December 31 2025, or as of December 31 2024. As the retained earnings from previous periods are negative, there is no resulting contingent income tax liability on dividends.

## Note 19 Interest income

in euros	2025	2024
<b>Geographical breakdown of interest income</b>		
Interest income from EU countries		
Estonia	1 313 800	1 020 719
Lithuania	3 935 501	1 526 199
Latvia	9 077	0
Interest income from EU countries, total	5 258 378	2 546 918
<b>Interest income total</b>	<b>5 258 378</b>	<b>2 546 918</b>
<b>Breakdown by category of interest income</b>		
Interests from secured loans	4 091 330	1 466 366
Other interests	1 167 048	1 080 552
<b>Interest income total</b>	<b>5 258 378</b>	<b>2 546 918</b>

The company's main income is interest income from lending activities. Interest income is generated from secured loans, consumer loans, microloans, hire-purchase agreements, leasing, and factoring agreements.

## Note 20 Interest expenses

in euros	2025	2024
Bonds	149 339	150 570
Legal entities	153 963	224 326
Deposits	1 786 862	785 336
Subordinated loans	261 900	261 900
<b>Total interest expense</b>	<b>2 352 064</b>	<b>1 422 132</b>

## Note 21 Other income

in euros	2025	2024
Penalty interest	233 615	121 624
Other fee income	140 777	94 261
Other operating income	3 025 325	3 529 144
<b>Total other income</b>	<b>3 399 717</b>	<b>3 745 029</b>

Other operating income in 2024 and 2025 is primarily related to the write-down of AT1 notes, for further details, see Note 16.

## Note 22 Operating expenses

in euros	2025	2024
Office expenses	283 306	256 635
State and local taxes	192 936	139 769
IT services costs	709 692	720 648
Legal costs	416 722	377 599
Advertising and marketing costs	113 452	171 375
Accounting services (incl. audit costs)	63 784	49 667
Subscription fees	143 410	102 110
Seminars and other employee expenses	87 002	99 179
Financing fees	270 856	118 355
Consultation fees	119 753	114 515
Recruitment fees	20 563	67 886
Management and brokerage fees	162 663	30 248
Other expenses	253 776	116 142
<b>Total operating expenses</b>	<b>2 837 915</b>	<b>2 364 128</b>

Other expenses for the 2025 financial year include various costs related to the company's operations. A significant portion consists of insurance premiums, which are allocated between employee-related and office-related expenses. Additionally, this item includes other general administrative expenses necessary for the company's daily administrative operations.

## Note 23 Labour expenses

in euros	2025	2024
Wages and salaries	3 774 490	2 807 766
Labour taxes	251 747	287 062
Options	131 152	143 107
<b>Total labour expense</b>	<b>4 157 389</b>	<b>3 237 935</b>
<b>Average number of employees in full time equivalent units</b>	<b>68</b>	<b>55</b>
Person working under an employment contract	62	48
Member of the management or control body of a legal person	6	7

## Note 24 Related parties

Name of accounting entity's parent company: Nebbiolo Capital OÜ

Country, where the parent company is registered: Estonia

(in euros)

Related party balances according to groups	Receivables 31.12.2025	Liabilities 31.12.2025	Receivables 31.12.2024	Liabilities 31.12.2024
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher supervisory body	1 485 114*	1 841 784	1 377 654	2 117 264

Loan receivables 2025	Loans given	Repayments of loans given	Calculated interest for the period
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher supervisory body	330 631*	1 000	109 461

Loan receivables 2024	Loans given	Repayments of loans given	Calculated interest for the period
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher supervisory body	0	5 000	65 004

Loans received 2025	Loans received	Repayments of loans received	Calculated interest for the period	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher supervisory body	0	0	201 408	
Loans received 2024	Loans received	Repayments of loans received	Calculated interest for the period	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher supervisory body	0	0	201 408	
2025			Sales	Purchases
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher supervisory body			0	238 036
2024			Sales	Purchases
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher supervisory body			2 418	580 351
Remuneration and benefits for AS Finora Group Executive and Senior Management			2025	2024
Remuneration			732 396	422 601

\*For information on provision of receivables from related parties, see Note 8.

Parties are considered related if one party exercises control or significant influence over the other's business decisions.

Related parties include the Management and Supervisory Boards, their close family members, and associated companies. Executive management received board member fees; no other significant benefits were provided.

As financing activities are primarily conducted through Finora Bank UAB and its Estonian branch, AS Finora Group relinquished its creditor license in January 2026. The parent company now focuses on holding functions, coordinating the strategic activities and funding of its subsidiaries. Accordingly, AS Finora Group and OÜ Finora Factoring reduced their loan portfolios to zero as of December 31, 2025, by divesting the remaining loans to external parties and Finora Bank UAB's Estonian branch. Intra-group sales were conducted at fair value, defined as the net book value (gross balance less expected credit losses). Management considers the expected credit losses sufficient and the net balance a fair reflection of the loans' fair value. The fair value of transferred guarantees was equal to the expected credit losses recognized by the parent, which the parent company paid to the branch for assuming the guarantees

**Share options for the Board and shareholders**

<b>Changes in Options - Management Board, Supervisory Board, and Shareholders</b>	<b>Before Share Split</b>	<b>After Share Split</b>
Outstanding options as at 31.12.2022	21 100	211 000
Granted in 2023	2 200	22 000
Cancelled in 2023	-4 200	-42 000
Outstanding as at 31.12.2023	19 100	191 000
Cancelled in 2024	-1 600	-16 000
Termination of Management Board membership in 2024	-1 600	-16 000
Outstanding as at 31.12.2024	15 900	159 000
Termination of Management Board membership in 2025	-2 200	-22 000
<b>Outstanding as at 31.12.2025</b>	<b>13 700</b>	<b>137 000</b>

## Note 25 Contingent liabilities

in euros	31.12.2025	31.12.2024
Contractual obligation to pay loans	2 609 607	0
Issued guarantees	787 476	1 458 273
<b>Total contingent liabilities</b>	<b>3 397 083</b>	<b>1 458 273</b>

### AT1 Bonds

In 2024, Finora Group issued Additional Tier 1 (AT1) Temporary Write-Down Notes with a total value of EUR 6 450 000. For further details, see Note 16. These instruments are subordinated, perpetual, and unsecured, with interest rates of 12% (EUR 3 000 000 issuance) and 15% (EUR 3 450 000 issuance). According to the terms of the notes, a nominal value write-down may occur if the Group's CET1 ratio falls below 5.125%. In 2024, this threshold was breached, and in accordance with the contractual terms, the value of the notes was written down by EUR 3 450 000. As of December 31, 2024, EUR 3 000 000 of the AT1 liabilities remained and were recognized as a liability in the balance sheet. During the reporting year, the value of the notes was further reduced to the minimum level required by the terms of the notes—1 cent per note, totaling EUR 645. Finora Group accounts for AT1 notes as a liability. The written-down portion is not recognized in the balance sheet; however, its write-up (reinstatement) is possible under certain conditions—provided that the Group achieves a consolidated net profit and regulatory requirements limiting the write-up are met. Since this portion may partially or fully become a balance sheet liability again, it is disclosed as a contingent liability in accordance with IFRS requirements.

### Central Bank Inspection

In November 2024, the Bank of Lithuania conducted an inspection of Finora as part of its routine supervisory duties regarding new banks. The inspection continued until early 2025. Finora received the Bank of Lithuania's inspection report on February 28, 2025, and submitted its written explanations on April 2, 2025. On December 18, 2025, the Bank of Lithuania decided to initiate a voluntary process, to which the bank agreed, involving the entry into an administrative settlement to conclude the Bank of Lithuania's inspection. The signing of this settlement is scheduled for the second quarter of 2026.

### Dispute with Inbank

Finora had a court case with Inbank, in which a decision regarding the principal claim was made in 2023, and the remaining balance of the principal claim was expensed in 2023. The proceedings for the compensation of the other party's legal costs were still ongoing during the preparation of the 2024 annual report and continue to be ongoing during the preparation of the current report; there is no clarity regarding the size of these costs or the deadline for payment. Therefore, they were not recognized as expenses as of 31.12.2025 or 31.12.2024, but were instead treated as contingent liabilities.

### ILTE Guarantees

Finora Bank UAB has entered into an agreement with UAB ILTE, under which ILTE provides guarantees for loans issued by Finora Bank UAB. The agreement stipulates specific obligations for Finora, including the presentation of relevant documentation and verification of loan utilization in accordance with agreed terms. A dispute has arisen with UAB ILTE regarding the alleged improper use of loans and the collection of supporting documentation. Legal proceedings are currently ongoing, with a court hearing scheduled for April 2026. The parties have been actively negotiating the claim amount, which was recently reduced from EUR 341 509 to EUR 69 486. It is anticipated that Finora may potentially withdraw the claim or reach an amicable settlement before the trial; therefore, the claimed amount is recognized as a contingent liability rather than an expense. The situation arose from a dispute between the parties concerning the criteria for assessing the compliance and quality of loan utilization documents. The parties held differing positions. Finora has demonstrated that the majority of the collected documentation meets the required standards. It should be noted that the obligation to collect such documents was retrospective and is no longer effective under the current agreements with ILTE.

## Note 26 Unconsolidated financial statements of the parent company

According to the Accounting Act of the Republic of Estonia, the separate unconsolidated primary statements of the consolidating entity (parent company) are disclosed in the notes to the consolidated financial statements.

### Statement of financial position

in euros	31.12.2025	31.12.2024
<b>Assets</b>		
Cash	608 104	1 324 980
Loan receivables	0	608 208
Secured loans	0	308 430
Other loans	0	299 778
Other receivables and prepayments	1 575 462	1 670 614
Financial investments	529 565	529 565
Investments into subsidiaries and affiliates	18 478 113	12 956 148
Property, plant and equipment	6 632	14 832
Intangible assets	104 294	151 805
<b>Total assets</b>	<b>21 302 170</b>	<b>17 256 152</b>
<b>Liabilities and equity</b>		
Loan liabilities	3 551 006	7 142 700
Bonds	1 611 006	4 673 000
Other loan liabilities	1 940 000	2 469 700
Payables and prepayments	153 826	178 128
Subordinated loans	1 301 825	1 290 000
<b>Total Liabilities</b>	<b>5 006 657</b>	<b>8 610 828</b>
<b>Equity</b>		
Share capital	791 274	639 815
Share premium	14 970 322	9 708 005
Other reserves	450 848	319 698
Retained earnings (loss)	-2 022 194	-3 522 626
Net profit (loss) for the financial year	2 105 263	1 500 432
<b>Total equity</b>	<b>16 295 513</b>	<b>8 645 324</b>
<b>Total Liabilities and equity</b>	<b>21 302 170</b>	<b>17 256 152</b>

**Income statement**

<b>in euros</b>	<b>2025</b>	<b>2024</b>
Interest income	114 926	242 581
Interest expense	-455 203	-523 945
<b>Net interest income</b>	<b>-340 277</b>	<b>-281 364</b>
Other income	3 174 194	3 611 855
<b>Total revenue</b>	<b>2 833 917</b>	<b>3 330 491</b>
Operating expenses	-326 300	-336 228
Labor expenses	-110 986	-138 627
Other expense	0	0
<b>Total expenses</b>	<b>-437 286</b>	<b>-474 856</b>
<b>Profit before impairment losses</b>	<b>2 396 631</b>	<b>2 855 635</b>
Depreciation and amortisation	-55 710	-56 815
Changes in loan impairment reserve	-235 658	-1 298 388
<b>Net profit (loss) for the financial year</b>	<b>2 105 263</b>	<b>1 500 432</b>

**Statement of Cash Flow**

in euros	2025	2024
<b>Cash flows from operating activities</b>		
Net profit (loss)	2 105 263	1 500 432
<b>Adjustments</b>		
Depreciation and amortisation	55 710	56 815
Interest expense	455 203	523 945
Interest income	-114 926	-242 581
Other adjustments: provisions and options reserve	366 808	1 441 496
Other adjustments: AT1 write-down	-2 999 994	-3 450 000
<b>Total adjustments</b>	<b>-2 237 199</b>	<b>-1 670 325</b>
Total change in receivables and prepayments related to operating activities	456 366	821 397
Total change in payables and prepayments related to operating activities	-36 127	-299 245
Interest received	114 926	177 577
Interest paid	-442 180	-719 891
Other proceeds from operating activities (bonds)	330 000	0
Other payments from operating activities (bonds)	-392 000	0
<b>Total cash flows from operating activities</b>	<b>-100 951</b>	<b>-190 055</b>
<b>Cash flows from investing activities</b>		
Proceeds from bond investments	0	202 197
Investments into bonds	0	-202 197
Purchase of property, plant and equipment and intangible assets	0	-488
Proceeds from property, plant and equipment and intangible assets	0	29 043
Increase of share capital and reserves of the subsidiary	-5 500 000	-8 270 000
<b>Total cash flows from investing activities</b>	<b>-5 500 000</b>	<b>-8 241 445</b>
<b>Cash flows from financing activities</b>		
<b>Loans received</b>	<b>0</b>	<b>50 000</b>
Repayments of loans received	-529 700	-390 000
Proceeds from issue of shares	5 413 776	2 436 834
Received from AT1 bonds	0	6 450 000
<b>Total cash flows from financing activities</b>	<b>4 884 076</b>	<b>8 546 834</b>
<b>Total cash flows</b>	<b>-716 875</b>	<b>115 333</b>
Cash and cash equivalents at beginning of period	1 324 980	1 209 646
<b>Change in cash and cash equivalents</b>	<b>-716 875</b>	<b>115 334</b>
Cash and cash equivalents at end of period	608 104	1 324 980

**Statement of changes in equity**

in euros	Unregis-tered share capital	Share premium	Other reserves	Retained earnings (loss)	Total	Kokku
<b>31.12.2023</b>	<b>551 673</b>	<b>151 050</b>	<b>7 208 263</b>	<b>176 590</b>	<b>-3 522 626</b>	<b>4 564 949</b>
Net profit (loss) for the financial year	0	0	0	0	1 500 432	1 500 432
Issue of share capital	88 142	-151 050	2 499 742	0	0	2 436 834
Stock options	0	0	0	143 108	0	143 108
<b>31.12.2024</b>	<b>639 815</b>	<b>0</b>	<b>9 708 005</b>	<b>319 698</b>	<b>-2 022 194</b>	<b>8 645 325</b>
Net profit (loss) for the financial year	0	0	0	0	2 105 263	2 105 263
Issue of share capital	151 459	0	5 262 317	0	0	5 413 776
Stock options	0	0	0	131 150	0	131 150
<b>31.12.2025</b>	<b>791 274</b>	<b>0</b>	<b>14 970 322</b>	<b>450 849</b>	<b>83 069</b>	<b>16 295 513</b>

Unadjusted consolidated equity	31.12.2025	31.12.2024
<b>Unconsolidated equity</b>	<b>16 295 513</b>	<b>8 645 325</b>
Investments into subsidiaries	-18 479 678	-12 959 148
Investments into subsidiaries, based on equity method	9 054 812	6 723 500
<b>Adjusted unconsolidated equity</b>	<b>6 870 647</b>	<b>2 409 677</b>

## Note 27 Post-Balance Sheet Events

### **Routine Inspection of New Banks by the Bank of Lithuania**

In November 2024, the Bank of Lithuania conducted an inspection of Finora as part of its regular supervisory duties regarding new banks. The inspection continued until the beginning of 2025. Finora received the Bank of Lithuania's inspection report on February 28, 2025, and submitted its written explanations on April 2, 2025. On December 18, 2025, the Bank of Lithuania decided to initiate a voluntary process, to which the bank agreed, resulting in an administrative settlement to conclude the inspection. The signing of the settlement is scheduled for the second quarter of 2026.

### **Lithuanian tax authority**

In March 2026, the Lithuanian tax authority initiated a routine operational tax audit of Finora group company Finora Bank UAB with the aim of ensuring that the company's tax calculations and declarations comply with local legal requirements. All necessary documents and information have already been submitted by Finora to Tax authority to facilitate a smooth and timely audit process.

### **Relinquishment of the Parent Company's Creditor License and Focus on Holding Company Priorities**

Given that financing activities are primarily conducted through Finora Bank UAB and the Estonian branch of Finora Bank UAB, the Group's parent company, AS Finora Group, relinquished its creditor license as of January 2026. Moving forward, the parent company will focus primarily on holding functions, managing and coordinating the strategic activities and financing of its subsidiaries.

### **Partial Early Redemption of Bonds**

In February 2026, AS Finora Group performed a partial early redemption of its bonds in the amount of 170 000 euros. This action reduces the interest payable on the bonds and strengthens the Group's financial position.

### **Additional Capital**

The company's operations are dependent on raising additional capital. In connection with this, a capital strengthening plan has been prepared and submitted to the Bank of Lithuania. According to the plan, a capital increase of at least 3.4 million euros is planned for 2026. To date, 1.7 million euros has already been raised, and the remaining capital is planned to be raised during the second and third quarters of 2026. Management is confident that the planned capital increase will take place according to the intended schedule, ensuring the continuity of the company's operations and supporting further growth.

## Note 28 Continuation of Operations

According to the Group's management, the company has successfully met its strategic growth targets and achieved strong operational and financial performance in 2025. Finora Bank UAB, a member of the Finora Group, was the fastest-growing banking group in the Baltics in terms of loan portfolio growth rate, reflecting increasing market demand and efficient capital deployment.

Throughout the year, Finora Group raised 5,4 million euros in new CET1 capital from both existing and new investors, further strengthening its regulatory capital base and securing the foundation for sustainable expansion. This capital increase significantly enhanced the Group's resilience and supported the continued growth of its portfolios.

In Note 6: Risk Management, Finora's net liquidity for the next 12 months is -58 million euros, primarily due to the upcoming maturity of certain deposits. Finora is raising new deposits to cover these maturing positions. Additionally, there is an impact from the EIF loan (see Note 16: Loan Liabilities and Deposits) in the amount of 1,7 million euros; although its final maturity is not until 2029, it is classified as short-term under IFRS requirements because the loan agreement grants the EIF the right to demand early repayment if the agreed covenants are breached. In management's assessment, it is unlikely that the EIF will exercise this right (for further details, see Note 16: Loan Liabilities and Deposits). In 2026, bonds in the amount of 1,6 million euros will also reach maturity; the plan for their redemption is to issue Tier 2 capital instruments with longer-term maturities.

According to October 22, 2025 resolution of Bank of Lithuania, in order to strengthen AS Finora Group capital position, the Bank is currently subject to temporary supervisory measures, under which it is not permitted to increase its overall risk exposure through new lending activities. New loans are only allowed if they are linked to the volume of returned loans or new agreements that were confirmed and signed by the decision-making time. In addition, any growth in deposits is required to be allocated to highly liquid, low-risk assets (with a 0% risk weight). Provided current portfolio level not exceeding the set RWA levels, the revenue side and the bottom line are also adjusted to this level. This means the Bank is approaching the breakeven point. This is in line with expectations and in line with the budget provided under Capital strengthening plan. The restrictions lifting will be under discussion with BoL after providing sufficient evidence that Finora can sustainably maintain required capital adequacy levels based on the planning. Later expectations for growth will be adjusted accordingly.

The company's operations are dependent on raising additional capital. In connection with this, a capital strengthening plan has been prepared and submitted to the Bank of Lithuania. According to the plan, a capital increase of at least 3.4 million euros is planned for 2026. To date, 1.7 million euros has already been raised, and the remaining capital is planned to be raised during the first, second, and third quarters of 2026. Management is confident that the planned capital increase will take place according to the intended schedule, ensuring the continuity of the company's operations and supporting further growth.

Management believes that the strengthened capital base, improved technological infrastructure, and the formalization of capital-raising capabilities provide a solid foundation for continued growth, competitiveness, and long-term value creation.

## Signatures of the report

Signing of the report: 2nd April 2026

The correctness of the annual report AS Finora Group (registry code: 12324050) for the period 01.01.2025 - 31.12.2025 has been approved:

**Name:**

**Šarūnas Ruzgys**

**Position:**

**Member of the  
Management Board**

**Date and signature:**

**02.04.2026**



**INDEPENDENT AUDITOR'S REPORT**

(Translation of the Estonian original)

To the Shareholders of AS Finora Group

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**Grant Thornton Baltic OÜ**

Pärnu road 22  
10141 Tallinn, Eesti

**T** +372 626 0500  
**E** info@ee.gt.com

Reg-nr 10384467  
KMKR nr EE100086678

**Qualified Opinion**

We have audited the consolidated financial statements of AS Finora Group (the Company), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the financial statements comprising material accounting policy information and other explanatory information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by European Union.

**Basis for Qualified Opinion**

The consolidated group's and the parent entity's statement of financial position includes, as assets, a financial investment in AS Bankish (a related party) measured at fair value in the amount of 530 thousand euros, and receivables from AS Bankish in the amount of 1,264 thousand euros. During the audit, we were unable to obtain sufficient audit evidence to support the assumptions used in determining the fair value and future cash flows. Therefore, we do not have assurance that the fair value of the financial investment and the recoverable amount of the receivables are not lower than their carrying amounts. If an impairment exists, the loss for the reporting period would increase and equity would decrease.

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISA (EE)s). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## **Other Information**

Management is responsible for the other information. The other information comprises the Management report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described above in the section 'Basis for Qualified Opinion,' the statements may contain significant errors. Therefore, we are unable to conclude whether the equity and asset ratios presented in the management report are materially misstated in relation to these circumstances or not.

The information presented in the management report is, in significant part, consistent with the consolidated financial statements and the requirements set forth in applicable laws.

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

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

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 Responsibilities 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 ISA (EE)s 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 ISA (EE)s, 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 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.



Janno Greenbaum

Sworn Auditor nr. 486

Grant Thornton Baltic OÜ

License number 3

Pärnu mnt 22, 10141 Tallinn

April 2, 2026

## Proposal for loss coverage

in euros	31.12.2025	31.12.2024
Profit (loss) of previous periods	-8 266 294	-5 689 257
Annual period profit (loss)	-1 083 957	-2 577 037
<b>Total</b>	<b>-9 350 251</b>	<b>-8 266 294</b>
Coverage		
Profit (loss) of previous periods after distribution	-9 350 251	-8 266 294
<b>Total</b>	<b>-9 350 251</b>	<b>-8 266 294</b>

## Decision on loss coverage

in euros	31.12.2025	31.12.2024
Profit (loss) of previous periods	-8 266 294	-5 689 257
Annual period profit (loss)	-1 083 957	-2 577 037
<b>Total</b>	<b>-9 350 251</b>	<b>-8 266 294</b>
Coverage		
Profit (loss) of previous periods after distribution	-9 350 251	-8 266 294
<b>Total</b>	<b>-9 350 251</b>	<b>-8 266 294</b>

## **Declaration of the Supervisory Board**

The Management Board has prepared the management report and financial statements of AS Finora Group for the financial year 2025. The Supervisory Board has reviewed the annual report prepared by the Management Board, which consists of the management report and the financial statements, the opinion of the sworn auditor, and the proposal for the distribution of profits and approved it for submission to the general meeting of shareholders.

**Veikko Maripuu**

Chairman of the Supervisory Board

**Vahur Kraft**

Member of the Supervisory Board

**Rein Ojaverre**

Member of the Supervisory Board

**Oleg Švaikovski**

Member of the Supervisory Board

## Distribution of revenue by business segments

Field of activity	EMTAK code	Sales revenue (EUR)	Sales revenue %	Main field of activity
Other credit products, excludes pawnshops	64929	5 258 378	100.00%	Yes

### Shareholders

Name	Registry code	Location	Size of ownership and currency
Nebbiolo Capital OÜ	11918037	Estonia	237 400 EUR
Others		Estonia	553 874 EUR

### Contact details

Type	
Phone	+372 658 1300
E-mail	<a href="mailto:info@finoragroup.eu">info@finoragroup.eu</a>

**finora group**

The image features a solid blue background. On the right side, there are several thin, white, wavy lines that flow vertically, creating a sense of movement and depth. These lines vary in thickness and curvature, resembling stylized waves or organic forms.