



FINORA BANK UAB 2025 YEAR FINANCIAL STATEMENTS

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INFORMATION ABOUT THE BANK

Accounting period covered by the financial statements

1 of January 2025 to 31 December 2025.

Reporting company and its contact details

Name	Finora Bank UAB
Address	Žalgirio g. 90-100, LT-09303 Vilnius
Company's registration code	305156796
Licence	Licence issued 29 April 2022, number 9
Telephone	+370 695 37797
E-mail address	info.lt@finorabank.eu
Website address	finorabank.eu
Auditor	Grant Thornton Baltic, UAB
Members of the Supervisory Board	Veikko Maripuu Vahur Kraft Ieva Dosinaitė Rein Ojaverē Oleg Švaikovski
Members of the Management Board	Šarūnas Ruzgys Michail Leontjev* Mangirdas Kireilis Šarūnas Gerasimavičius* Darius Buzys*

**Michail Leontjev and Šarūnas Gerasimavičius served as Members of the Management Board until 20th March 2026. Darius Buzys was confirmed as a new Member of the Management Board on 27th February 2026 by Bank of Lithuania and on 5th of March 2026 by Supervisory Board.*

Principal activity

Finora Bank UAB is a credit institution which holds the specialized banking license issued by the Bank of Lithuania.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF FINORA BANK UAB

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of Finora Bank UAB (the Bank), which comprise the statement of financial position as at December 31, 2025, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with the Law of the Republic of Lithuania on accounting and financial reporting, and International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 2014 April 16 the European Parliament and of the Council Regulation (EU) No 537/2014 on specific statutory audit requirements for public interest entities (Regulation (EU) No 537/2014 of the European Parliament and of the Council). 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 Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Grant Thornton Baltic UAB

Key audit matter

Expected credit losses of Loans to customers

See of the explanatory note to financial statements, section 2 "Material accounting policies", section "Impairment of financial assets", section 5 "Risk management", section "Credit risk and Concentration risk" and note 2 "Loan receivables", respectively pages 33-35, pages 43-50 and pages 53-55.

We focused on this area because application of the expected credit loss (ECL) model to loan impairment losses under IFRS 9 "Financial instruments" requires complex and subjective judgements over both the timing of recognition of impairment and the size of any such impairment.

The key features of the ECL model include classification of loans to three stages, assessment of credit risk parameters and application of forward-looking information. The amount of impairment provision for the Bank's loans is based on the model calculations, taking into consideration the exposure at default, probability of default, probability of loss given default, changes in customer credit rating, significant increase in credit risk factors impacting stage of each exposure, and taking into account estimated future cash flows from the loan repayments or sale of collateral (loss given default), and the ECL adjustments by expected impact of future macroeconomic scenarios.

As at 31 December 2025, the expected credit losses amounted to EUR 1084 thousand at the Bank (refer to note 2).

Credit impairments charged to statement of profit and loss and other comprehensive income for the expected credit losses for the year ended 31 December 2025 amounted to EUR 699 thousand for the Bank.

How our audit addressed the key audit matter

We assessed whether the Bank's accounting policies in relation to the ECL for loans to customers are in compliance with IFRS 9 by assessing each significant model component: exposure at default, probability of default and loss given default, definitions of default and significant increase in credit risk, using macroeconomic scenarios.

We assessed the design and operating effectiveness of the controls over relevant loan data and the ECL calculations. Those controls included controls over recording of loans data in the system, credit analysis and approval before issuing loans, loans credit file periodic review, risk score/rating assessment, a timely review and update of collateral values and overdue days.

We determined that we could rely on those controls for the purpose of our audit.

Further, we performed detailed recalculations of selected loans and the results provided by the models to ensure that the ECL are calculated and assigned to stages correctly. These recalculations were carried out within the most significant and high-risk loan portfolio to obtain sufficient and appropriate evidence.

Other Information

The other information comprises the information included in the Bank's management report for the year 2025, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Bank's management report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Bank's management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Bank's management report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

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

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

In preparing the financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 Bank'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 Bank'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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We shall 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the decision made by shareholders on 4 November 2024 we have been chosen to carry out the audit of the Bank's 2025 year financial statements. Our appointment to carry out the audit of Bank's financial statements in accordance with the decision made by shareholders has have been renewed every 2 years and the period of total uninterrupted term of appointment is 4 years.

We confirm that our opinion in the section 'Opinion' is consistent with the additional audit report which we have submitted to the Bank and its Audit Committee.

We confirm that in light of our knowledge and belief, services provided to the Bank are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of the audit, in addition to financial statements audit services, we provided financial statements translation services.



The engagement partner on the audit resulting in this independent auditor's report is Darius Gliubicas.

Grant Thornton Baltic UAB
Audit company's certification No. 001513
Upės str. 21-1, Vilnius

Certified auditor
Darius Gliubicas¹
Auditor's certification No. 000594
2 April 2026

¹ An electronic document is signed with an electronic signature, has the same legal force as a signed written document and is a permissible means of proof. Only the independent auditor's report is signed with the electronic signature of the auditor.



Dear Shareholders,

The past year marked an important milestone in Finora Bank's development. The Bank remained firmly focused on its mission: enabling sustainable growth for small and medium-sized enterprises.

2025 was a year of disciplined execution and foundation building. In order to support higher volumes and faster decision-making we invested heavily in strengthening our operational capabilities, refining internal processes and preparing for a new technological platform as a basis to more seamless operations. These efforts enabled a significant acceleration of our lending activity and supported a new phase of scalable growth.

As a result, Finora Bank delivered strong financial performance and substantial portfolio expansion. During 2025 the total loan book increased three-fold and our Estonian operations portfolio increased nearly eight times, confirming successful execution of our business model in all markets. Gross interest income increased by 59%, the net loan portfolio expanded by 220% to €89 million, and total assets grew by 177% to €101 million.

Looking ahead, we remain confident in Finora Bank's growth trajectory. With a strengthened operating model, a rapidly expanding regional presence, and a solid capital base, we are well positioned to continue growing responsibly, deepening client relationships, and creating long-term value for our investors.

While we have made significant progress, challenges remain. Finora Bank continues to increase the portfolio and upgrade the processes and technology to meet the highest standards our customers expect.

One of our main objectives for 2026 is to further enhance operational efficiency and profitability, strengthen our capital position, and continue balancing prudent risk management with sustainable business growth, while



maintaining full alignment with evolving regulatory requirements.

Even as automation and advanced data analytics play an increasingly important role in financial services, small and medium-sized enterprises continue to value a financial partner that truly understands their challenges. While Finora Bank actively leverages technology to enhance speed and efficiency, we differentiate ourselves by prioritizing real conversations, informed decision-making, and customized solutions. Our approach is built on close collaboration with business owners and decision-makers—listening carefully, adapting to their needs, and supporting their growth in ways that automated systems alone cannot replicate. This balance between technology and human expertise is where we take a leadership role.

2026 will be a pivotal year for Finora Bank as we pursue new financial and strategic milestones. The operating environment will remain demanding, but we are prepared. With strong momentum, improving capital foundation, and a committed team, we are ready to move forward decisively and continue creating long-term value for our clients and investors.

Sincerely,
Šarūnas Ruzgys
CEO and Chairman of the Management Board



DECEMBER 31, 2025 MANAGEMENT REPORT

The analysis of the year 2025 financial statements and operating activities

1. Review of the Bank situation, business and development, and analysis of financial performance

Finora Bank UAB (hereinafter referred to as “the Bank”) is a credit institution in the form of a public limited liability company (UAB) domiciled in Lithuania.

Economic outlook

Last year was yet another year of strong growth for Lithuanian economy. According to Lietuvos bankas estimates, GDP in Lithuania increased by 2.5% in real terms during the previous year, following a sound growth rate of 3.0% in 2024. Economic expansion was relatively broad and included all major sectors of the economy, except manufacturing. According to Statistics Lithuania data until October-November 2025, inflation-adjusted average monthly turnover of the services and retail trade enterprises increased by 8.5%, 6.6% per year, respectively. The inflation-adjusted average volume of industrial output and construction grew by 4.0% and 3.2% per year, respectively. Consumption, and, in turn, services and retail trade growth was supported by continuing increase in consumers’

purchasing power. According to Statistics Lithuania and Eurostat, real income grew by 4.2% per year as of the third quarter of 2025 due to a strong annual increase in salaries (7.8%) and slower growth in inflation as prices increased 3.6% annually. Construction expansion was supported by ongoing investments in energy, defense and road infrastructure, as well as strong activity in residential real estate market as affordability improved.

Estonian economy still stagnated in 2025, emerging out of recession in the second half of the year. According to Eesti Pank, real GDP in Estonia grew by 0.7%, led by increase in government consumption expenditures and business investments (by 2.2% and 2.1% over the year, respectively). Household consumption shrank by 0.2% as real income stagnated and consumer expectations remained historically low. Nevertheless, service sector in Estonia grew notably as consumer spending preferences shifted towards it. According to Statistics Estonia data until October-November 2025, inflation-adjusted average monthly turnover of the services enterprises increased by 6.8%, while retail trade grew by 2.8% per year. Manufacturing grew by 3.3% over the year as international demand for Estonian-made goods started to recover. However, construction output grew just by 0.8% annually by the third quarter of 2025 as civil engineering output decreased due to historically high comparative basis while residential and commercial real estate development increased slightly.

Economy is forecast to accelerate in Lithuania and especially in Estonia in 2026.





According to the national central banks, GDP will increase by 3.2% and 3.6%, respectively. The main source of growth in Lithuania will be private consumption, primarily led by growth of real household income and funds taken out of the pension funds during an ongoing pension reform. In Estonia, the main driver of economic growth will be capital investments, driven by recovering foreign demand and investments into competitiveness improvement primarily through upgrading existing production capacity. Euribor rates have stabilized and financial markets participants forecast a slight increase in the coming year. However, an insignificant rise in borrowing costs will not reduce appetite for borrowing and investments in both Lithuania and Estonia as overall lending conditions and margins will remain at historically favourable level.

Strategic direction

Finora Bank's vision is to empower entrepreneurs and businesses by enabling sustainable growth through accessible, flexible credit solutions and long-term partnership. The Bank aims to become a leading and trusted financial partner for small and medium-sized enterprises across the Baltic markets, recognized for its expertise, reliability, and deep understanding of SME financing.

Finora Bank's mission is to support today's micro, small, and medium-sized enterprises on their path to becoming tomorrow's corporate leaders. We do this by promoting financial literacy, delivering tailored financial solutions, and providing hands-on support throughout each stage of a business's development. Through a strong commitment to service excellence and customer-centricity, Finora Bank strives to distinguish itself as the preferred local institution, offering personalized solutions that reflect the unique needs and ambitions of its clients.

Finora Bank business model

Finora Bank's business model is built on sustainable value creation for all stakeholders. We aim to deliver competitive returns on invested capital through disciplined growth, strong cost efficiency, and prudent risk management, while consistently providing a high-quality customer experience. Sustainability and long-term responsibility are integral to our decision-making and operational approach.

The Bank's core activity is the financing of small and medium-sized enterprises. We focus primarily on providing tailored financing solutions to businesses, supporting their growth, investment, and working capital needs across our target markets. This clear focus allows us to maintain deep expertise in SME lending and to scale our business responsibly within the business segment.

Determined Service

Finora Bank places strong emphasis on a solution-oriented service culture. We actively work alongside our clients to understand their challenges and design practical, flexible financing solutions, bridging banking trust and fintech velocity to support SME growth across Europe. Rather than offering standardized products, we focus on solving real business problems through proactive engagement and thoughtful structuring, always acting in the best interests of our clients.

Humble Honesty

Transparency, integrity, and a customer-first mindset define the way Finora Bank operates. We communicate openly and clearly, acknowledging both opportunities and limitations, while operating in a model that combines the regulatory requirements of a bank with the agility of fintechs. By building trust and fostering long-term relationships, we prioritize sustainable partnerships over short-term outcomes, standing where regulation meets scalability.

Speed

Speed and efficiency are core competitive advantages of Finora Bank. We continuously refine our processes to ensure fast response times and streamlined decision-making, positioned to scale through automation-first technology and capital efficiency. By reducing complexity and saving our clients' time, we enable business owners to act decisively, supported by credit scoring, risk control, and partner integration systems that allow fast, profitable SME lending at scale.

Activities and Financial performance overview

2025 was a remarkably successful year for Finora Bank - Finora more than tripled its loan portfolio, growing it from €27.83 million to €89.17 million. The new loan issuance was also impressive during the reporting year,



with the total amount of new loans reaching €82.79 million (2024: €40.53 million). Additionally, the loan portfolio grew through the acquisition of portfolios from external parties. In line with the significant portfolio growth, the Bank's interest revenue in 2025 increased by 155% compared to 2024 (where the growth was 41%). Net interest income increased by 159% to €3.5 million (2024: €1.5 million).

The structure of the loan portfolio continued to shift towards collateralized loans. The primary focus in 2025 was the growth of the secured loan portfolio, which was successfully implemented. The secured loan portfolio grew more than treifold, by €54 million, representing an annual growth of 246% and reaching €75.95 million. The leasing portfolio also increased by €9.05 million. However, the factoring portfolio decreased by €1.59 million as the focus during the reporting year was on updating the banking system required to service the factoring product. In 2026, factoring services were extended not only in Estonia but also in the Lithuanian market, with ambitious growth plans for the factoring sector in the coming year. In total, Finora Bank increased its entire loan portfolio by 220% and €61.34 million, reaching €89.17 million by the end of the year.

To support the growth of the loan portfolio, Finora's deposit portfolio also increased, reaching €90.13 million as of December 31, 2025. Compared to the previous year, the volume of Finora's deposits grew by €62.41 million. Deposits continued to be primarily raised through the Raisin platform - an international digital platform that connects depositors with banks.

Interest expenses increased with new deposits, reaching €2.17 million (2024: €0.99 million), an increase of €1.18 million compared to 2024.

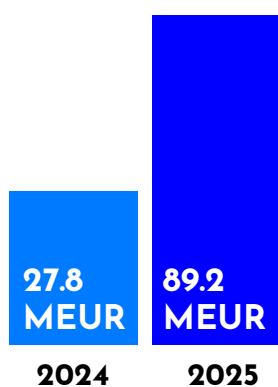
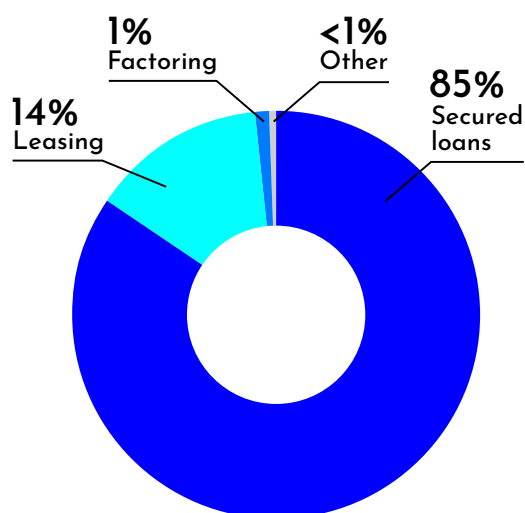
To support Finora's breakthrough growth, personnel costs amounted to €4.05 million during the reporting year, growing by €0.95 million compared to 2024. Operating expenses also increased due to higher volumes, totaling €2.13 million for the reporting year, reflecting a growth of €0.18 million. Finora's focus has always been on efficiency, and it is noteworthy that while the loan portfolio grew by 220%, personnel costs and operating expenses increased by only 31% and 9%, respectively.

The expected credit loss in the income statement amounted to €0.7 million (2024: €0.38 million). In 2024. The credit loss expense recorded during the reporting year is primarily related to the extensive growth of the portfolio.

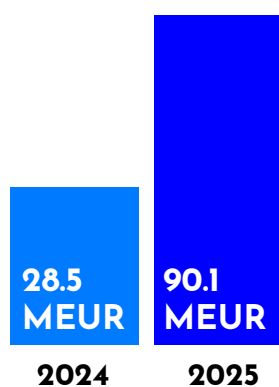
2025 was an exceptionally successful year for Finora Bank, filled with positive developments. During the year the parent company invested additional €5.5 million to Finora Bank as other reserves, confirming that Finora holds a strong position in the market and is ready to continue its rapid growth and success in the future.

A major focus for Finora Bank during the reporting year was strengthening its technology and operational platform. The most significant investment was the development of a new core banking system, the implementation of which was nearing completion by the end of the year. Customer migration took place in January 2026, with all new clients now directly entered into the system and automatically verified. Loan migration is planned for the first quarter of 2026, when customer accounts will be fully opened. In 2025, the development of SEPA payments was also initiated, 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 anti-money laundering and sanctions screening system, strengthening compliance requirements. The opening of bank accounts was completed in the fourth quarter, while the remaining existing customer accounts are expected to be finalized by February 2026. The factoring solution was launched in the fourth quarter, enabling the offering of standardized product portfolios in both Lithuania and Estonia, and supporting more efficient processing. The development of the online banking platform is planned to be completed by January 2026, ensuring smooth and integrated operations between systems. All of the investments are reflected in the IT expenses for the reporting year that totalled €0.66 million in 2025.

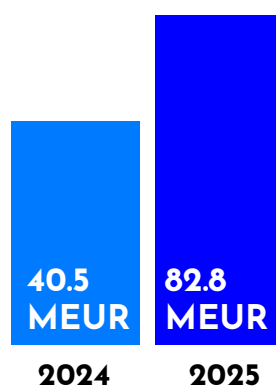
Finora is now ready to offer its clients even more refined and faster financial services, ensuring a seamless and secure experience across all systems. With strong technology and integrated solutions, Finora is poised to grow even faster and provide its clients with better solutions that support sustainable development and a competitive edge in the market.



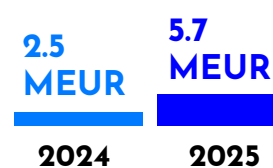
Loan portfolio



Deposits



Payouts



Gross interest

Key financial ratios

	2025	2024
Return on equity, %	-42.7	-92.6
Return on assets, %	-4.7	-13.0
Cost to income ratio	1.7	3.1
Loan to deposit ratio, %	99	98

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

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

Cost to income ratio = operating expenses (staff expenses + operating expenses + depreciation) / net income

Loan to deposit ratio = Net loan portfolio / Deposits * 100

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

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

Net income = net interest income + net commission fees + other income



2. Risk management

Description of the main types of risks and uncertainties

A risk in the Bank's activity is defined as an uncertain event or set of events that, if they occur, will have a potential negative outcome from the expected positive economic result and it shall be recognized in its business operations. The Bank faces several different risks. The main of them, considering the Bank's business model, are: Credit risk, AML risk, Concentration risk, Liquidity risk, Interest rate risk, ESG risk, Operational risk. The Bank protects itself from all risks, including above mentioned, through a range of sophisticated risk assessments and control mechanisms. The current economy has significant instability, with various risks existing over global markets. Inflation, fluctuating energy prices, and geopolitical tensions contribute to an unpredictable financial landscape. Additionally, changing consumer behavior adds complexity to the economic outlook. The combination of these factors creates uncertainty for the Bank. Detailed information about key risks, activities to manage these risks is included in the Notes of Financial statements.

The assessment of the bank's internal capital adequacy

The Bank's capital fully corresponds to the capital prudential requirements. The Bank's capital adequacy ratios are calculated considering not only the riskiness of the loan portfolio but also assessing operational risk. The lead regulator's approach to the measurement of capital adequacy is primarily based on monitoring the relationship of the capital resources requirement to available capital resources.

Internal capital adequacy assessment process shall be performed every year to assess additional capital requirement if needed. Since the Bank started its activity in September, Y2022, the first internal capital adequacy assessment process was started in Y2023 and presented to regulator in Y2024, later in Y2025. Management uses regulatory capital ratios to monitor its capital base. The allocation of capital between

specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements.

Prudential ratios

The Bank is in line with all capital prudential requirements as of 31-12-2025.

31 Dec 2025 Ratio	Prudential requirement, %	Actual Data, %
CET1	>8.0	14.64
TIER1	>9.5	14.64
TOTAL CAPITAL RATIO	>11.50	15.86
LEVERAGE RATIO	>3.00	6.74
LCR	>100	>100
NSFR	>100	>100
LARGE EXPOSURE	<25% TIER1	Complies

Main aspects of the bank's operational risk management strategies

Operational risk is defined as the risk of loss, business process disruption, negative reputational impact, resulting from inadequate or failed internal processes, people, and systems, or from external events.

The Bank mitigates operational risks defining, documenting, and updating the relevant business processes, following strict rules for the assignment of duties and responsibilities and developing and upgrading information and communication systems.

The main principles for organizing operational risk management are: 1) to follow the "four-eyes principle" and 2) to segregate the business-generating functions from the recording and monitoring functions.

Information on the encumbered assets

The Bank does not have any asset, which is restricted or prevented from liquidating, selling, transferring, or assigning due to legal, regulatory, contractual, or other limitations.



3. Plans and forecasts for the Bank

Finora Bank's scope of services is ever broader, and we consider it our responsibility to take part in critical, solution-oriented discussions regarding the economic environment. Yet in long-term proactive communication, we have picked key focus areas where our leadership of thought can have the most profound and productive impact.

Focus on small and medium enterprises

Thriving SMEs - and their founders and owners, the wide class of resourceful, largely self-made entrepreneurs - are the foundation of any innovative economy. A society with a vibrant sector of SMEs, especially newly founded ones, is an entrepreneurial, evolving and antifragile society. It is vital that both established and new entrepreneurs have good access to the resources they need.

Focus on customer value creation

Our operations centers around understanding and addressing the unique needs of small and medium-sized businesses. This means going beyond traditional banking services to provide tailored financial solutions and expert advice that empower businesses to grow and succeed. By prioritizing value creation, we want to become a trusted partner, offering flexible products, streamlined processes, and proactive support designed to solve real-world challenges.

Efficient Development via value-added Partnerships

Our goal is to achieve pan-European expansion through strategic partnerships, capitalizing on joint strengths. This approach enables rapid entry into multiple markets by leveraging established local partners' networks, regulatory knowledge, and customer relationships—allowing us to scale efficiently while minimizing capital intensity and avoiding excessive balance sheet growth.

Focus on risk weighted profitability

Finora bases all its decisions on profitability against cost and risk related to any transaction. Since main client offering is related to credit products, when issuing credits Finora nets the revenue on specific contract against potential credit losses, funding costs, liquidity risk, operational expenses and other contract related risks and costs. The net revenue is compared against capital allocated to the contract. This ratio (RARORAC - risk adjusted return on risk adjusted capital) is one of the key decision filters for all credit transactions.

Finora shall extend this approach from a contract level to client, sales relationship manager, product, geographies, and other relevant dimensions. The goal is to run the bank with optimal profitability compared to risk taken.



4. Organisational structure

The Management Board approved the current Bank's organizational structure on October 22, 2025.



The Bank's management bodies are the Bank's General Meeting of Shareholders (General Meeting), the Bank's Supervisory Board, the Bank's Management Board, and the Bank's Head of Administration.

The Bank's management bodies deal with the issues entrusted to them by the Bank's Articles of Association, other internal documents, the Law on Banks of the Republic of Lithuania, the Law on Financial Institutions of the Republic of Lithuania, the Law on Companies, and other legislation. The decisions of the Bank's management bodies are binding on all managers and employees of the Bank.

AS Finora Group is the sole shareholder of the Bank and exercises the powers of the General Meeting. The Supervisory Board, accountable to the General Meeting, oversees the Management Board, with the Audit Committee and Internal Auditor reporting directly to the Supervisory Board. The Management Board maintains direct oversight of the Credit Committee and second-line defense functions (CRO, CCO, CISO, DPO, and MLRO). The Head of Administration (CEO), who reports to the Management Board, manages the Deputy CEO and oversees four functional divisions: Financial, Risk Management, Business, and Operations, Products & IT. Additionally, the Bank operates an Estonian branch led by the Head of Branch.



5. Overview of Bank committees

The Bank has established two committees - the Audit Committee and the Credit Committee.

The Audit Committee is established by the Supervisory Board to assist the fulfilment of the supervisory function of the Bank. The Audit Committee consists of three members.

Main functions of the Audit Committee, *inter alia*, are:

- on annual basis review and evaluate the Bank's Supervisory Board's instructions for Internal Audit;
- to ensure that such instructions are appropriate, relevant and up to date;
- assist the Supervisory board in connection with the process for the appointment of the external auditor (audit firm)

The Credit Committee is established by the Management Board of the Bank to support the management of the credit risk as one of the key risks in the Bank.

Main functions of the Credit Committee, *inter alia*, are:

- establishment of the principal conditions of crediting activities of the Bank and adoption of decisions on granting of the credit products (loans, guarantees, leasing and factoring products);
- identify the key principles and processes for making decisions related to the lending activities of the Bank and its subsidiaries.

Management board at the signing date of 2025 Annual report



**Šarūnas
Ruzgys**
CEO



**Mangirdas
Kireilis**
Head of
Sales



**Darius
Buzys**
CRO

In January 2025 new Management Board members were approved by Bank of Lithuania - Mangirdas Kireilis, Head of Sales and the Head of Finora Bank UAB Estonian branch, and Šarūnas Gerasimavičius, Chief Operating Officer. Approval from Bank of Lithuania was received on 14th of January and registered in Business Registry on 17th of January 2025. In March 2025 new Management Board member was approved by Bank of Lithuania - Michail Leontjev, Deputy CEO. Approval from Bank of Lithuania was received on 19th of March and registered in Business Registry on 26th of March 2025.

In March 2026, two members of the Management Board, Michail Leontjev, CFO and Deputy CEO, and Šarūnas Gerasimavičius, CITO, submitted their resignations to step down from their positions. They served as Management Board members until 20th of March 2026. A contract has been signed with the new CFO and future Board Member, and his suitability is currently being assessed internally (the documents for candidacy approval will be sent to the Bank of Lithuania in March). The recruitment process for new CITO and future Board Member is also in process. On 27 February 2026, the Bank of Lithuania and on 5th of March 2026 Finora Bank Supervisory Board confirmed Darius Buzys, CRO, as a new member of the Management Board.

The term of office of the Management Board expires in September 2026. A new Management Board will have to be appointed in 2026.

Supervisory board

- **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
- **Ieva Dosinaite** Member of the Supervisory Board

The term of office of the Supervisory Board expires in September 2026. A new Supervisory Board will have to be appointed in 2026.



6. Information on the positions held by Board and Supervisory Board members

Members of the management board

Management board members of Finora Bank UAB hold the following positions in addition to Finora Bank UAB

- Šarūnas Ruzgys, Head of Administration: Chairman of the Management Board of AS Finora Group, legal entity code 12324050, registered address Harjumaa, Tallinn, Narva road 5, 10117, Estonia, Chairman of the Management Board of Finora Factoring OÜ, legal entity code 14439107, registered address Harjumaa, Tallinn, Narva road 5, 10117, Estonia.
- Šarūnas Gerasimavičius, Chief Operating Officer: Member of the Supervisory Board of Bankish AS, legal entity code 14251833, registered address Harjumaa, Tallinn, Narva road 5, 10117, Estonia; Deputy Chairmen of Association of apartment building owners "Žirmūnų str. 67A", legal entity code 302311348, registered address Žirmūnų str. 67A, Vilnius, Lithuania.
- Michail Leontjev, Owner and Head of Management Board of UAB Baltic Financial Intelligence, legal entity code 305273707, registered address Konstitucijos pr. 15-156, Vilnius, Lithuania.
- Mangirdas Kireilis does not hold other positions than in Finora Bank UAB (except Mangirdas Kireilis' position as the Head of Finora Bank UAB Estonian branch).
- Darius Buzys does not hold other governance positions than in Finora Bank UAB.

Members of the Supervisory Board

Head of Supervisory Board of Finora Bank UAB, Veikko Maripuu is member of the Management Board in OÜ Caron Capital, legal entity code 10865178, registered address: Tartu road 25, 10117, Tallinn, Estonia; Head Capital OÜ, legal entity code 14010999, registered address Tartu road 25, 10117, Tallinn, Estonia; Head Investments OÜ, legal entity code 14009401, registered address Tartu road 25, 10117, Tallinn, Estonia; Head Management Services OÜ, entity code 14026078, registered address Tartu road 25, 10117, Tallinn, Estonia; Nebbiolo Capital OÜ, entity code 11918037, registered address Tartu road 25, 10117, Tallinn, Estonia; Tartu Print Holding OÜ, legal entity code 11982733, registered address Tartu road 25, 10117, Tallinn, Estonia. Veikko Maripuu is the Chairman of the Supervisory Board of AS Finora Group, entity code 12324050, registered address Narva road 5, 10117, Tallinn, Estonia; AS Bankish, entity code 14251833, registered address Narva road, 10117, Tallinn, Estonia; Head Solutions Group OÜ, entity code 10407435, registered address Priisle road 10, 13914, Tallinn, Estonia. Veikko Maripuu is the Member of the Supervisory Board of beneficial owner of OÜ Ecoprint, entity code 11407147. Registered address Savioja Str 3, Tartu parish, 60534, OÜ Finora Factoring, entity code 14439107, registered address Narva road, 10117, Tallinn, Estonia; Keyman Holding OÜ, entity code 12661178, registered address Priisle road 10; Tallinn, 13914; Keyman LE OÜ, entity code 12659804; registered address Priisle road 10; Tallinn, 13914;; Luku-Expert OÜ, entity code 16616996, registered address Priisle road 10, Tallinn, 13914; Vonk Technologies OÜ, entity code 14790483, Tartu road 74, Tallinn, 10113





Other members of the Supervisory Board of Finora Bank UAB:

Vahur Kraft is Chairman of the Management Board in PT Altum Llc, legal entity code 14839114, registered address: Jakobi 38-13, 51005 Tartu, Estonia and Member of the Supervisory Board of AS Finora Group, legal entity code 12324050, registered address Narva road 5, 10117, Tallinn, Estonia. Vahur Kraft is the Chief Executive Officer at Jõuvärk OÜ, legal entity code code 14324692, registered address Valguse 18,11618, Tallinn, Estonia. Vahur Kraft is also the Chief Executive Officer and employed at PT Altum OÜ, entity code 14839114, registered address Jakobi 38-13, Tartu 51005, Estonia. Board member of management board in UU OÜ, legal entity code 14813617, registered address Näituse tn 7-9, 50409, Tartu. PTU OÜ, legal entity code 14836682 address Jakobi tn 38-13, 51005, Tartu; Saare Rannarahva Selts, legal entity code 80619618 address Sõrve mnt 32, 93201, Salme, Saaremaa vald. Vahur Kraft is a beneficial owner of KUU&KUU OÜ, registry code 11558343, registered address Valguse str 18, Tallinn, 11618; OÜ Sangar, registry code 10063674, registered address Sõpruse road 2/1, Tartu 50050; OÜ Sangar Kinnisvara, registry code 16050046, registered address Sõpruse road 2/1, Tartu 50050.

Rein Ojaveri is a CEO of OÜ Front Consulting, registry code 10812992, address Kotzebue 9-52, 10412, Tallinn, Estonia, and Member of the Supervisory Board of AS Finora Group, legal entity code 12324050, registered address Narva road 5, 10117, Tallinn, Estonia.

Ieva Dosinaitė is Partner and Head of Head of Banking and Finance Practice in Law firm „Ellex Valiūnas ir partneriai“ Jogailos st 9, Vilnius.

Oleg Švaikovski is a Board Member of the management board in Askend; LUQ ACADEMY OÜ, code 16840825, address Tammiku tee 7, 41004, Remniku, Alutaguse vald, Ida-Viru; EDTECH ESTONIA MTÜ, code 80589716, address Tina tn 26-5, 10126, Tallinn; WHITE BRIDGE OÜ, code 12531783, address Harusambla tn 18, 76401, Laagri, Saue vald; R&P COURSES OÜ, reg code 16052832, address Ehitajate tee 88-43, 12915, Tallinn; METSAARENDUSKESKUS OÜ, code 14737477, address Ilvese tee 10, 74001, Haabneeme,

Viimsi vald; TERVIKLIKU HARIDUSE FOND SA, code 90014313, address Kivimäe tn 25, 10919, Tallinn; PÜHA JOHANNENE KOOLIKODA OÜ, code 14158986, address Kivimäe tn 25, 10919, Tallinn; TALLINNA TÕNISMÄE REAALKOOLI SÕPRADE SELTS MTÜ, code 80187129, address Pärnu mnt 50, 10119, Tallinn; PÜHA JOHANNENE KOOLI SA, code 90010947, address Kivimäe tn 25, 10919, Tallinn; ARISTOTLE OÜ, code 11141554, address Harusambla tn 18, 76401, Laagri, Saue vald. Pascal OÜ, code 17223477, address Maakri str 30, 10145; Oleg is member of the Supervisory Board in AS FINORA GROUP, code 12324050, address Narva mnt 5, 10117, Tallinn; AS Bankish, code 14251833, Narva road 5, Tallinn 10117; SA Targa Tuleviku fond, code 90016217, address Narva road 4, Tallinn, 10117; SA TI-Hüpe, code 90016335, Tõnismägi 11, Tallinn, 10119. Oleg is beneficial owner of Puhastaja Partner OÜ, code 16985618, address Kadaka road, 173-20, 12615.

7. The goals, structure, and organization of the internal control system

The Bank's comprehensive internal control framework comprises monitoring, reporting, and follow-up processes covering all business lines and internal units, outsourced activities and distribution channels, and management bodies. The Bank does not offer products, which entail a material risk of contributing to unethical conduct, infringement of human or labour rights, corruption, or serious environmental harm.

The internal control framework aims to ensure effective and efficient operations, adequate risk management, compliance with external and internal requirements, as well as sound accounting procedures and reliable reporting of information.

The Bank's internal control framework is organised across three lines of defence. The first line consists of all business and supporting divisions, who are responsible for managing their risks according to our policies, procedures, and controls. The second line is a control function of the second line officers: DPO, CCO, CISO, CRO, MLRO.

Data Protection Officer (DPO) oversees Bank's



data protection strategy and its implementation also compliance with requirements of the GDPR regulations.

Chief Compliance Officer (**CCO**) identifies, assesses, controls, monitors, and reports on compliance risks, including, compliance with our internal framework and all applicable laws and regulations. CCO verifies that the first line is operating in line its risk policies, procedures, and control, and is independent of the divisions whose activities they are responsible for monitoring and controlling.

Information and cyber security in the Bank shall be the responsibility of the Bank's Chief Information Security Officer (**CISO**).

Chief Risk Officer (**CRO**) is responsible for execution of the risk management function at the Bank. The Risk division defines risk policies and the risk management framework, ensures that effective risk management processes are in place, and is involved in all material risk management decisions.

Money Laundering Reporting Officer (**MLRO**) is responsible for overseeing the Bank's AML/CTF framework.

The Internal Auditor serves as the third line and provides independent assessments of the risk management and controls in the first and second lines. The Internal Auditor provides reliable, independent and objective assurance to the management bodies about the effectiveness of our governance, risk management and internal control processes.

8. Share capital and own shares

The Bank does not hold own shares and did not purchase or sell them during the accounting period. As of December 31, 2025, the Bank's authorized capital was equal to 10 870 000 EUR. The authorized capital is divided into 10 870 000 ordinary registered shares with EUR 1 par value each. AS Finora Group, a company incorporated and operating under the laws of the Republic of Estonia, registration number 12324050, registered office address Narva mnt 5, Tallinn 10117, the Republic of Estonia is the sole shareholder of the

Bank. In addition to share capital AS Finora Group has invested 7 500 000 EUR as other reserves within 2025 into Finora Bank UAB out of which 2 000 000 EUR was paid in in December 2024 and recognized as unregistered share capital as at 31 December 2024 and in 2025 converted to other reserves.

9. Information on research and development activities

The Bank did not carry out any research or development activities in 2025.

10. Employees

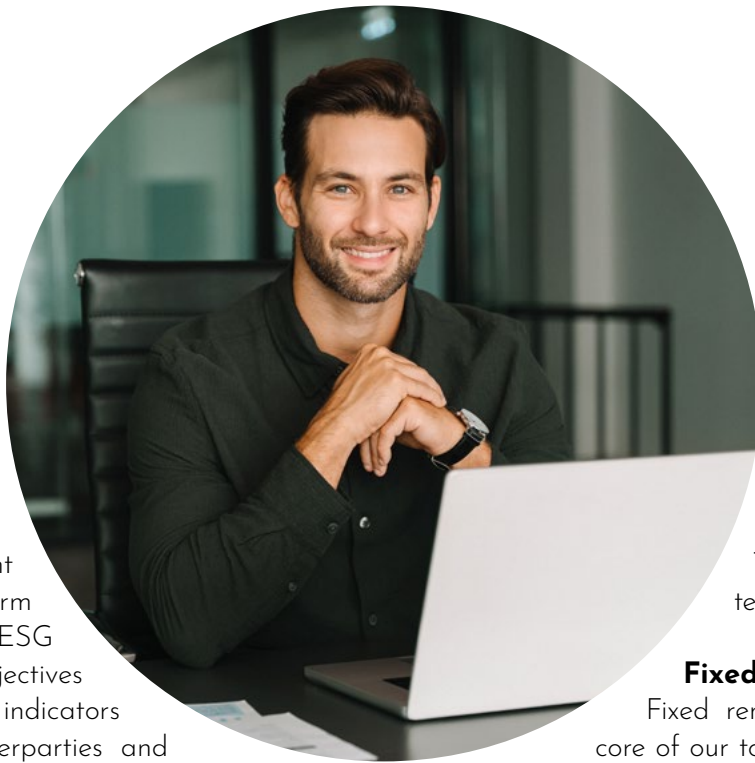
In 2025, the average number of employees was 62 starting from 53 at the beginning of the year to 68 people at the end of the year.

11. Information about the bank's branches and representative offices

Finora Bank UAB opened branch in Estonia in January 2024. With the opening of branch in Estonia all activities towards Estonian market are performed directly through the branch.

12. Sustainability disclosure

ESG risks include those related to climate change impacts mitigation and adaptation, environmental management practices and duty of care, working and safety condition, respect for human rights, anti-bribery and corruption practices, and compliance to relevant laws and regulations. The amendments of Resolution No 149, September 25, 2008, of the Board of the Bank of Lithuania on Internal Control and Risk Assessment (Management) Organization came into force on 2023 July 1. The changes brought new requirements for the banks in ESG. The Bank understands the impact of climate-related and environmental risks on the business environment in which the Bank operates, in the short, medium, and long term, and gradually implements ESG principles in order to be able to make informed strategic and daily business decisions. The Bank



effectively identifies and monitors the ESG risks to which it is exposed in the short, medium and long run and implement adequate measures to address them by a) monitoring the changing business environment and evaluating long-term resilience, b) setting ESG risk-related strategic objectives and/or limits or key risk indicators c) engaging with counterparties and other relevant stakeholders, d) considering the development of sustainable products, e) establishing sectoral principles for sectors subject to increase transition risk, f) developing scenario analyses to assess the impact of climate change on the Bank's portfolio or specifying exclusion criteria. The Bank will actively engage with the customers and other relevant stakeholders where needed to assess ESG risks, and the Bank aims, by way of such engagement, to increase overall customer awareness in relation to ESG-related matters. Also, the Bank shall refrain from activities that may threaten its reputation and brand (including greenwashing and investing in business which may be prone to ESG-related controversies). The Management Board ensures that an effective ESG risk management system is created in the Bank, including ESG risk acceptance, assessment, monitoring, control and risk mitigation processes and measures.

13. Remuneration policy

At Finora Bank, our remuneration policy is designed to ensure fair and transparent remuneration practices that foster stability, security, and a thriving work environment for our employees. The policy prioritizes fixed remuneration as the primary component, providing employees with adequate compensation for their responsibilities and contributions. In addition to fixed remuneration, the Bank maintains a limited variable remuneration framework for some categories of employees (sales team), extra pay and one-time bonuses, in extraordinary cases, in line with the conditions for those

in the Remuneration Policy. There were no changes to the Remuneration system and Supervisory Board approved Remuneration policy during the year 2025.

The Bank's remuneration system consists of:

Fixed Remuneration

Fixed remuneration constitutes the core of our total remuneration structure.

This approach ensures that fixed remuneration constitutes a sufficiently large proportion of total remuneration so that any variable component, where applicable, can be fully flexible and related to Bank's performance.

It is stable, predictable, and determined based on:

- Professional experience
- Level of responsibility within the Bank
- Educational background
- Rank
- Competencies and skills
- Relevant business operations
- Prevailing market remuneration rates

Review Process

Fixed remuneration is subject to regular reviews to maintain alignment with market standards and internal equity. Reviews occur:

- After the trial period, within the first year of employment
- Annually, in conjunction with performance evaluations

It is important to note that a review does not automatically result in an increase in fixed remuneration. Any adjustment is based on individual performance, internal equity, developments in market remuneration levels and the Bank's financial position and risk profile.

Variable Remuneration

- Sales employees: Variable remuneration (bonuses) is awarded to sales employees when they exceed their targets. These bonuses recognize exceptional performance in achieving and surpassing predefined goals.



- Variable remuneration, where awarded, is based on an overall assessment of the performance of the individual employee, their organizational unit, and the Bank. Variable remuneration is awarded only where the employee's behavior has been fair, compliant, and aligned with the Bank's ethical standards and risk appetite and the Bank has the right not to award variable remuneration, to reduce variable remuneration that has been awarded but not yet paid in cases, defined in the Remuneration Policy.

Extra pay and one-time bonuses

Other employees: One-time payoffs or additional remuneration may be provided to other employees only in cases of extraordinary workloads or extraordinary achievements above set goals and other cases that give significant added value to the Bank.

Treatment of Identified Staff and severance

In line with applicable EU and national regulations, the Bank identifies those employees whose professional activities have a material impact on the Bank's risk profile ("Identified Staff"). Identified Staff include members of the Management Board, the Supervisory Board, and certain key control and senior management functions. For Identified Staff, additional regulatory requirements apply to the structure, award, and potential restriction of variable remuneration, related to Bank's performance.

Key Features

Fixed Remuneration at Finora Bank is characterized by:

- **Predetermined criteria:** It is based on objective, non-discretionary factors aligned with individual experience and seniority.
- **Transparency:** Employees are clearly informed about their fixed remuneration.
- **Stability:** Fixed remuneration remains consistent over the period corresponding to the individual's role and responsibilities.
- **Non-revocability:** Fixed remuneration is not subject to reduction, suspension, or cancellation except in cases of collective bargaining or renegotiation under national wage-setting criteria.
- **Risk-neutrality:** It does not incentivize employees to undertake undue risks.
- **Performance independence:** Fixed remuneration is not linked to individual performance metrics or outcomes.

Conclusion

Finora Bank's fixed remuneration policy reflects our commitment to equitable and transparent compensation practices. By ensuring stability and security, we empower our employees to focus on delivering their best, driving the Bank's growth and success.

14. Events after the year-end of 2025

As part of the regular supervisory framework applied to newly established banks, the Bank of Lithuania (BoL) has continued its close monitoring of Finora Bank since the fourth quarter of 2024. As a result of this process:

- the Bank received the BoL inspection report on 28 February 2025;
- Bank started temporarily prioritizing the allocation of deposit growth to low-risk assets and maintaining a balanced approach to new lending by controlling the increase of total risk exposure;
- the BoL decided, on 18 December 2025, to initiate a process to conclude an administrative agreement with the Bank, finalizing the BoL inspection. The management views this process as a constructive dialogue with the regulator, aimed at further strengthening the bank's operations and compliance framework.

In March 2026, two members of the Management Board, Michail Leontiev, CEO and Deputy CEO, and Šarūnas Gerasimavičius, CITO, submitted their resignations to step down from their positions. They served as Management Board members until 20th of March 2026. A contract has been signed with the new CFO and future Board Member, and his suitability is currently being assessed internally (the documents for candidacy approval will be sent to the Bank of Lithuania in March). On 27 February 2026, the Bank of Lithuania and on 5th of March 2026 Finora Bank Supervisory Board confirmed Darius Buzys, CRO, as a new member of the Management Board.

In March 2026, the parent company of Finora Bank, AS Finora Group, transferred €1.3 million to other reserves of Finora Bank. This transaction was made to strengthen the capital base of Finora Bank and has been reflected in the increase in other reserves of the bank.

Šarūnas Ruzgys CEO
/signed digitally/



STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2025

in EUR	Note	31 Dec 2025	31 Dec 2024
Assets			
Cash and cash equivalents	1	11 181 710	7 935 898
Loan receivables	2	89 169 971	27 829 774
Receivables from group companies	14	3 602	39 714
Intangible assets	3	333 561	419 162
Tangible assets	4	87 155	96 818
Other assets	5	250 470	111 108
Prepaid expenses and accrued income	5	218 593	169 486
Total assets		101 245 062	36 601 960
Liabilities			
Deposits from the public	7	90 126 190	28 526 913
Payables to group companies	14	155 438	17 480
Other liabilities	6	1 193 435	607 693
Accrued expenses and prepaid income	6	72 379	54 682
Subordinated liabilities	8	1 010 000	1 010 000
Total liabilities		92 557 442	30 216 768
Equity			
Share capital	17	10 870 000	10 870 000
Paid unregistered share capital	17	0	2 000 000
Other reserves	17	7 587 449	65 483
Retained earnings	18	(9 769 829)	(6 550 291)
Total equity		8 687 620	6 385 192
Total liabilities and equity		101 245 062	36 601 960

The notes on pages 27 to 66 are an integral part of the financial statements.
These financial statements were prepared on 2nd of April 2026 by:

Šarūnas Ruzgys CEO
/signed digitally/

Eglė Martusevičienė Chief Accountant
/signed digitally/



STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

31 DECEMBER 2025

in EUR	Note	2025	2024
Interest income at effective interest rate	9	5 713 660	2 457 041
Interest expense	10	(2 172 366)	(991 010)
Net interest income		3 541 294	1 466 031
Other income		233 365	166 338
Staff expenses	11	(4 046 402)	(3 099 308)
Other general administrative expenses	12	(2 126 734)	(1 943 585)
Amortization and depreciation costs	3,4	(121 810)	(76 039)
Credit recoveries / credit loss	2	(699 251)	(376 558)
Profit (loss) for the year		(3 219 538)	(3 863 121)
Total comprehensive income (loss)		(3 219 538)	(3 863 121)

The notes on pages 27 to 66 are an integral part of the financial statements.
These financial statements were prepared on 2nd of April 2026 by:

Šarūnas Ruzgys CEO
/signed digitally/

Eglė Martusevičienė Chief Accountant
/signed digitally/



STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2025

in EUR	Share capital	Paid unregistered share capital	Other reserves	Retained earnings (loss)	Total
31 Dec 2023	4 600 000	0	43 510	(2 687 170)	1 956 340
Issuance of share capital	6 270 000	0	0	0	6 270 000
Issuance of unregistered share capital	0	2 000 000	0	0	2 000 000
Share options	0	0	21 973	0	21 973
Net profit (loss) and comprehensive income (loss) for the financial year	0	0	0	(3 863 121)	(3 863 121)
31 Dec 2024	10 870 000	2 000 000	65 483	(6 550 291)	6 385 192
Reserve capital	0	0	5 500 000	0	5 500 000
Unregistered share capital	0	(2 000 000)	2 000 000	0	0
Share options	0	0	21 966	0	21 966
Net profit (loss) and comprehensive income (loss) for the financial year	0	0	0	(3 219 538)	(3 219 538)
31 Dec 2025	10 870 000	0	7 587 449	(9 769 829)	8 687 620

The notes on pages 27 to 66 are an integral part of the financial statements.
These financial statements were prepared on 2nd of April 2026 by:

Šarūnas Ruzgys CEO
/signed digitally/

Eglė Martusevičienė Chief Accountant
/signed digitally/



STATEMENT OF CASH FLOWS

31 DECEMBER 2025

in EUR	Note	31 Dec 2025	31 Dec 2024
Cash flow from operating activities			
Net profit (loss)		(3 219 538)	(3 863 121)
Adjustments			
Interest revenue		(5 713 660)	(2 457 041)
Interest expenses		2 172 366	991 010
Depreciation and amortisation	3,4	121 810	76 040
Credit recoveries/Credit loss allowances		177 060	376 558
Other non - monetary transactions	15	117 454	74 136
Total adjustments		(6 344 508)	(4 802 418)
Total change in receivables and prepayments related to operating activities	15	(60 323 091)	(7 566 877)
Total change in other liabilities, accrued expenses and prepaid income		545 909	150 746
Deposits from public received and accrued income	7	60 743 609	9 326 203
Interest received		4 367 138	2 100 405
Interest paid		(1 196 698)	(510 754)
Total cash flows from operating activities		(2 207 641)	(1 302 695)
Cash flows from investing activities			
Purchase of tangible and intangible assets	3,4	(26 546)	(187 187)
Investments into bonds		0	246 054
Total cash flows from investing activities		(26 546)	58 867
Cash flow from financing activities			
Paid in Share Capital and other reserves	17	5 500 000	8 270 000
Increase / (decrease) in payables to group companies and other loan liabilities		100 000	(705 026)
Interest paid		(120 000)	(124 289)
Cash flow from financing activities		5 480 000	7 440 685
Cash flow for the year		3 245 812	6 196 857
Cash and cash equivalents at the beginning of the year		7 935 898	1 739 041
Cash and cash equivalents at the end of the period		11 181 710	7 935 898

The notes on pages 27 to 66 are an integral part of the financial statements.
These financial statements were prepared on 2nd of April 2026 by:

Šarūnas Ruzgys CEO
/signed digitally/

Eglė Martusevičienė Chief Accountant
/signed digitally/



EXPLANATORY NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 2025

1. GENERAL INFORMATION

Finora Bank UAB (hereinafter – the Bank or Company) is the joint stock company registered on 10th of May 2019 in the Republic of Lithuania. The Bank's registry code is 305156796. The Bank's registration address is Žalgirio g. 90-100, LT-09303, Vilnius, Lithuania.

The main activity of the Bank is financial services. In 2022 Bank of Lithuania granted to the Bank specialized banking license. Licence was issued 29 April 2022, licence number 9.

The financial year of the Bank coincides with the calendar year. Annual report is presented in EUR. The level of rounding is 1 EUR.

The sole shareholder of the company as for 31 December 2025 was AS Finora Group company code 12324050, Narva road 5, Tallinn, Estonia.

Finora Bank UAB had no investments in subsidiaries, associates. Finora Bank UAB achieved the permission to open a branch in Estonia in November 2023, it was

registered in January 2024, address Narva road 5, Tallinn, Estonia, registry code 16905996.

The activities of the company are supervised by the Bank of Lithuania.

The authorized capital of the company was EUR 10 870 000 as of 31 December 2025 which consisted of 10 870 000 ordinary registered shares with a nominal value of EUR 1 each. During 2025 the sole shareholder AS Finora Group invested additional EUR 7 500 000 into Finora Bank UAB as reserves, out of which 2 000 000 million was paid in already in 2024.

The company employed 68 employees as at 31st of December 2025 (31st of December 2024 : 53).

The company's management prepared these financial statements for 2025 year at 2nd of April 2026. The company's shareholders have the right to approve these financial statements or not to approve them and to require the management to prepare new financial statements.





2. MATERIAL ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of assumptions and estimates that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the reporting date, as well as the amounts of income and expenses recognized during the period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

An important area of estimates in preparing the report relates to the assessment of impairment losses for financial assets. The Bank regularly monitors and analyses the impairment of loans and receivables. IFRS 9 Financial Instruments is used to measure the increase in credit risk. At each balance sheet date, the Bank assesses whether credit risk has increased significantly since initial recognition, taking into account changes in the probability of default of the financial instrument over its useful life, applying significant risk measures used in the Bank's risk management processes. Potential problems are identified immediately as loans are constantly monitored and analysed. Impairment losses are calculated separately for each type of loan, taking into account the expected future cash flows, including those arising from the realization of collateral. The Bank uses estimates based on its experience to determine impairment losses, taking into account factors such as future economic conditions and consequent changes in the behaviour of borrowers, as well as the value of collateral that cannot be realized immediately. For more details see section for Significant management estimates and assumptions.

Summary of material accounting policies

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 Bank 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 Bank 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 Bank 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 Bank 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 Bank'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 Bank 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. The Bank does not currently have subsidiaries that would be eligible to apply IFRS 19 and does not plan to establish such subsidiaries. Accordingly, the adoption of IFRS 19 is not expected to have any impact on the Bank's financial statements.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, which help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: 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).



With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable. The Bank does not currently have subsidiaries that would be eligible to apply IFRS 19 and does not plan to establish such subsidiaries. Accordingly, the adoption of IFRS 19 is not expected to have any impact on the Bank's financial statements.

Foreign currency translation

The functional and presentation currency of the Company is the Euro (EUR).

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions or from the translation at fair value through profit or loss are recognized in profit or loss. Foreign currency translation differences on financial assets or liabilities at fair value through profit or loss are recognized as a change in the fair value of these items.

Financial assets

Financial assets are classified as measured at either amortised cost or fair value through profit or loss, based on the business model for managing the assets and the asset's contractual terms. The Bank does not have any financial assets classified as fair value through other comprehensive income (managed under a hold to collect and sell business model).

Business model evaluation

The Bank 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 Bank'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:

a) how the results of the business management model are evaluated and the financial assets held according to it, how they are reported to management;

(b) 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
c) 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);

(d) 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 Bank's initial expectations, the Bank 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 Bank 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 Bank 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.e. 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 Bank's assessment about a customer is based on sufficient and reliable information. The Bank assesses all objectively implied significant factors, considering the information and documents provided by the customer and available to the Bank from official registers and/or information systems used for creditworthiness assessment, as well as other information available to the Bank that may affect the creditworthiness of the customer, in particular credit history, potential changes (increase and decrease) in income. The Bank 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 Bank 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 Bank expects to receive. The Bank uses “going concern” vs. “gone concern” scenario to estimate the cash flows it is expected to collect. If the Bank 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 Bank 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 Bank 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 Bank’s regulation and IFRS 9. The Bank 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 Bank’s models track impairment events on an ongoing basis. Impairment events include violation of the loan agreement, start of bankruptcy proceedings and other financial difficulties of the customer that have not materialized in missed payments yet. The Bank 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 Bank. 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 Bank 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 (Including POCI)

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.

In accordance with IFRS 9, if the purchased financial assets are classified as purchased or originated credit impaired (POCI), the Bank recognizes the assets at their fair value

at the acquisition date, with any impairment losses recognized as part of the carrying amount of the asset. The subsequent changes in credit quality or expected credit losses are accounted for in the allowance for expected credit losses over the life of the portfolio, with the impairment being updated in subsequent periods.

The Bank regularly assesses whether any assets acquired qualify as POCI and applies the relevant IFRS 9 guidance, ensuring that all acquired portfolios are correctly accounted for and impairment losses are recognized in accordance with the requirements of IFRS 9.

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.





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. 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.

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

- Computers and computer systems 3-5 years,
- Other property, plant, and equipment 4-6 years.

Intangible assets

Intangible assets are recognized in accordance with IAS 38 when they are identifiable, it is probable that the expected future economic benefits attributable to the asset will flow to the Bank, the Bank has control over the asset, and the cost of the asset can be measured reliably.

The Bank's intangible assets consist primarily of capitalized costs related to the implementation and customization of specialized IT solutions supporting daily banking activities, regulatory reporting and accounting processes. The Bank has also incurred costs related to obtaining its banking license. These costs have been capitalized as intangible assets, as they meet the recognition criteria under IAS 38. Intangible assets are initially recognized at cost, which includes all directly attributable costs necessary to prepare the asset for its intended use. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets. The useful life is reviewed at each reporting date and adjusted if necessary. Intangible assets are tested for impairment whenever there is an indication that the carrying amount of the asset may not be recoverable.

Financial liabilities

All financial liabilities of the Company are classified as "other financial liabilities at amortised cost".

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 effective interest method in the statement of financial position line Deposits from public and accrued interests. Accrued interest liabilities are included in the same line. Interest expense is recognised in the statement of profit or loss line Interest expense on the accrual basis. Cost of acquisition of deposits is included into other operating expenses line in income statement.

Loans and borrowings

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

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.

Leases

In accordance with IFRS 16 "Leases," our company is permitted to apply the short-term lease exception for leases with a term of less than one year. We apply this exception to the accounting of our leased premises, which have lease terms of less than one year. Consequently, these leases are not recognized in the balance sheet as right-of-use assets or liabilities. The expenses related to short-term leases are recognized in the income statement as they occur over the period, ensuring clarity and transparency in our financial reporting.



Corporate income tax and deferred tax

Lithuania

Income tax comprises current and deferred income tax. Income tax for the reporting period is calculated based on the taxable results for that period. Deferred income tax arises from temporary differences between the tax bases of assets and liabilities and their carrying amounts. Current income tax and deferred income tax are generally recognized in the income statement. However, income taxes relating to items that are recognized in other comprehensive income are recognized in other comprehensive income. Deferred income tax assets are recognized in the statement of financial position to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax assets are recognized in the statement of financial position to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. If it is probable that part of the deferred income tax will not be realized, this part of the deferred tax is not recognized in the financial statements.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Estonia

According to the Income Tax Act that entered into force in Estonia on 1 January 2000, it is not the Company's profits that are taxed but net dividends paid. Thus, in the case of the companies located in Estonia there are no differences between the tax bases and carrying values of assets and liabilities and no deferred tax payables or receivables arise. As of 1 January 2015, the tax rate applicable to profit distributed as dividends is 20/80 of the net amount to be paid out (20% for gross amount). From 1 of January 2025 the tax rate rose to 22% on gross amount and 22/78 on net amount. The income tax

payable on dividends is recognised as a liability and an expense when the dividends are declared irrespective of the period for which they are declared or when they are distributed. Starting from 2019, it was possible to apply a more favorable tax rate on dividend payments (14/86). This more favorable tax rate could be applied to dividend payments not exceeding the average dividend disbursements for the previous three financial years that have been taxed at the rate of 20/80. This exemption was cancelled in 2025.

Provisions in respect of future income tax payable on dividends are not formed before the declaration of dividends, but the relevant information is disclosed in the notes of annual reports of Estonian companies.

Contingent liabilities

Significant commitments and other obligations which may transform into a liability subject to the occurrence of certain future events are disclosed in the notes to the financial statements as contingent liabilities.

Share capital

The amount of the authorized capital is equal to the sum of the nominal values of all the company's subscribed shares. Only the nominal value of shares is recorded in the authorized capital account. Share capital is recorded in the statement of financial position at its subscribed value.

Capital reserve

According to the laws of the Republic of Lithuania, the statutory reserve is a mandatory reserve. At least 5 per cent of the net profit must be transferred to the statutory reserve each year until the statutory reserve reaches 10 per cent of the share capital. In order to transfer the part of net profit to statutory reserve, the retained earnings must be in total positive. This reserve cannot be distributed and can only be used to cover accumulated losses.



Revenue recognition

Net interest income

The Company's principal income is interest income from lending activities. Interest income and interest expense are recognized in the income statement for financial assets and liabilities carried at amortized cost using the effective interest method.

The effective interest method is a method of calculating the total carrying amount of a financial asset or the amortized 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 payments or receipts through the expected life of the financial instrument to the carrying amount of the financial instrument. In calculating future payments, all cash flows are estimated on the basis of the terms of the contract (for example, prepayments).

The calculation of the effective interest rate includes taxes that are an integral part of the effective interest rate. However, future credit losses are not considered.

If a financial asset subsequently shows signs of impairment, interest income is recognized by applying the effective interest rate to the adjusted acquisition cost, i.e. the gross residual value is reduced. If a financial asset shows signs of impairment on initial recognition, expected credit losses are included in the estimated cash flows to calculate the adjusted effective interest rate that is subsequently applied to the recognition of interest income.

Net commission income

Commission income includes sales revenue from contracts with customers. This does not apply to rental income and financial instruments or other contractual obligations that are within the scope of IFRS 9 Financial Instruments. Fees that are considered in calculating the effective interest rate of a financial instrument carried at amortized cost, such as loan fees, are allocated

over the expected life of the instrument using the effective interest method and are recognized in 'Net interest income'. Revenue from fees and commissions is recognized based on the manner in which the services are provided to customers and the amount that reflects the consideration that the enterprise expects to receive for those services. Fee and commission income is recognized on a straight-line basis over the term of the contract if the customer receives and uses the company's services at that time. The fee received or receivable reflects the transaction price for specific service obligation services.

Fee expenses include costs related to services for which the bank pays fees and commissions, such as advisory services, brokerage fees, and other service-related fees that are directly attributable to the delivery of services to customers. Fee expenses are recognized in the period in which the revenue related to these services flow to the bank and is measured based on the amount of consideration paid or payable for these services.

Related parties

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

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

Share-Based Payments

The parent company of the Bank, AS Finora Group has established a share-based payment option program, under which the Group issues options to employees to buy shares of AS Finora Group in return for their services. The difference between grant price and fair value at grant date of options issued is recognized as an expense over the term of the option program as an increase in the labour costs and an increase in equity (other reserves). The total cost is determined by the fair value of the options at the time the options are issued compared to grant price. 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 correspondent adjustment to equity. According to the terms and conditions of the share options and Estonian Tax Law, there are no social tax expenses when exercising options after 3 years.

Other reserves

The Bank recognises unconditional cash contributions made by the parent company that have not, as at the reporting date, been registered as share capital within equity under "Other reserves". These contributions increase the Bank's equity directly and do not affect profit or loss. Amounts recognised in other reserves may be reclassified to share capital in the future in accordance with applicable laws and corporate approvals.

For reserves related to options, see „Share-Based Payments”.

Unregistered share capital

In accordance with IAS 32 *Financial Instruments: Presentation*, an equity instrument is recognized when it evidences a residual interest in the assets of the entity after deducting all of its liabilities, and the entity has received the contribution without an obligation to return it. When the Bank receives contributions from shareholders based on duly approved shareholder decisions, and the funds are transferred to the Bank's account prior to formal registration with the Bank of Lithuania or the relevant authorities, such amounts are recognized in equity as unregistered share capital and its essence is that it is subscribed but not yet registered share capital.

This presentation is based on the substance-over-form principle in accordance with the *Conceptual Framework for Financial Reporting* and IAS 1 *Presentation of Financial Statements*, paragraphs 15 and 17, which require that financial statements represent faithfully the substance of transactions and provide relevant and reliable information. Management assesses that when



all legal and procedural steps have been taken, and the registration process is pending solely as a formality without material uncertainty, these contributions meet the definition of equity and should be presented as part of equity.

These amounts remain presented as a separate line for share capital and a separate item within equity until the final registration is confirmed by the competent authority.

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 Bank 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. Significant management estimates and assumptions

Consistent with IFRS, management makes estimates and assumptions which affect the amounts reported in the financial statements. Although the estimates are based on management's best knowledge and judgement, actual outcomes may differ from these estimates. Management's estimates have been applied in the valuation of loans (please see Risk Management section) and the determination of the useful lives of tangible and intangible assets and impairment.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Changes in management's estimates are recognised prospectively. The most significant estimates and assumptions are related to IFRS 9, namely the criteria for a significant increase in credit risk (SICR), the calculation of probability of default (PD) and loss given default (LGD), the business model and solely payments of principal and interest (SPPI) assessment for the classification of financial assets. Please see more information in the 'Risk management' section. When calculating expected credit losses (ECLs) there are a number of key concepts that require a high level of judgement. Estimation of ECLs is, by nature, uncertain and the accuracy of the estimates depend on many factors, e.g., market forecasts. The assessment of SICR is a concept under IFRS 9 and requires significant judgement. At the end of each reporting period the Bank performs an assessment of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument, using key risk indicators that are used in the Bank's existing risk management processes.

Another area requiring significant judgement is the incorporation of forward-looking information and macroeconomic scenarios. IFRS 9 requires an unbiased and probability-weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. Bank uses both models and judgements based on the input of experts to determine ECLs. The objective of making judgements based on the input of experts is to incorporate the estimated impact of factors not captured in the modelled ECL. The degree of judgement that is required to estimate ECLs depends on the outcome of the calculations, materiality, and the availability of detailed information. The models, assessments and assumptions are regularly reviewed by the risk organisation.



Useful lives of tangible and intangible assets is determined based on the actual period of using the asset as estimated by the management. Management reviews the useful lives of tangible and intangible assets on yearly basis at minimum. For further details refer to Note and accounting principles for tangible and intangible assets.

At each balance sheet date, the Bank'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.

In 2024, the Bank partially modified the expected credit losses calculation model. Specifically, the probability of default (PD) determination mechanism was adjusted for customers operating under the jurisdiction of the Republic of Lithuania. Additionally, new criteria were introduced for transferring the customers to the second and third stages. The overall loan portfolio assessment was further segmented into more detailed homogeneous groups based on product type, geographic market, and type of collateral.

4. Fair value disclosure

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, assuming that market participants act in their economic best interest. The Bank 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.

On the basis of 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.

Amortised 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 at fair value has been determined in accordance with Level 3 principles - based on the values of similar transactions.



in EUR						
31 Dec 2025	Level 1	Level 2	Level 3	Fair value	Carrying value	
Financial assets at amortized cost						
Cash in bank	11 181 710	0	0	11 181 710	11 181 710	
Loan receivables	0	0	89 169 971	89 169 971	89 169 971	
Other receivables and prepayments	0	0	472 665	472 665	472 665	
Total financial assets at amortized cost	11 181 710	0	89 642 636	100 824 346	100 824 346	
Financial liabilities at amortized cost						
Deposits from public and accrued interest	0	0	90 126 190	90 126 190	90 126 190	
Payables and prepayments	0	0	1 421 252	1 421 252	1 421 252	
Subordinated loans	0	0	1 010 000	1 010 000	1 010 000	
Total financial liabilities at amortized cost	0	0	92 557 442	92 557 442	92 557 442	

in EUR						
31 Dec 2024	Level 1	Level 2	Level 3	Fair value	Carrying value	
Financial assets at amortized cost						
Cash in bank	7 935 898	0	0	7 935 898	7 935 898	
Loan receivables	0	0	27 829 774	27 829 774	27 829 774	
Other receivables and prepayments	0	0	320 308	320 308	320 308	
Total financial assets at amortized cost	7 935 898	0	28 150 082	36 085 980	36 085 980	
Financial liabilities at amortized cost						
Deposits from public and accrued interest	0	0	28 526 913	28 526 913	28 526 913	
Payables and prepayments	0	0	679 855	679 855	679 855	
Subordinated loans	0	0	1 010 000	1 010 000	1 010 000	
Total financial liabilities at amortized cost	0	0	30 216 768	30 216 768	30 216 768	

For the term structure of financial assets and financial liabilities, please refer to the 'Risk management' section.

5. Risk management

The Bank faces with various risks. There is being provided information about each of the Bank's major risks, risk assessment objectives, policies and risk assessment and management processes.

Credit risk

Credit risk is the risk of financial loss if the Bank's customers fail to meet their contractual obligations to the Bank. Credit risk rises primarily from loans to customers, including outstanding loans, leasing, factoring and guarantees issued. Credit risk is one of the most important risks, so management thoroughly assesses exposures that are subject to credit risk. The Bank aims to maintain a well-diversified portfolio of loans, factoring, leasing and guarantees with acceptable risk.

The purpose of credit risk management is to limit the impact of credit risk on the Bank's income to an acceptable level and to try to optimize the risk-return ratio. This maximizes risk-adjusted profitability while maintaining acceptable credit risk parameters. The credit risk management process consists of the initial identification of a particular risk, risk assessment, risk management and subsequent monitoring and reporting.

The determination of credit risk is based on the sources of this risk, i.e. various loans, leasing and real estate loans, each of which has its own level of risk and the factors influencing it, which are linked and quantified at this stage.



Credit risk assessment includes the assessment of solvency and willingness to pay for a loan or other financial product, collateral and loan terms. In the assessment, customers are divided into different risk categories from low to defaulted.

The principles of lending, decision-making and loan analysis, as well as the overall quality of the loan process, are important in credit risk management. The Bank uses loan customer rating model in making credit decisions for selected customers.

The Bank manages the credit risk of the entire loan portfolio and individual loans. Credit risk management also takes into account the relationship between this risk and other significant risks.

Maximum credit risk exposure

The following table presents the Bank's maximum credit risk exposure before taking account of any collateral held. For financial assets recognised on the balance sheet, the maximum exposure to credit risk equals their carrying amount.

in EUR	31 Dec 2025	31 Dec 2024
Cash in bank	11 181 710	7 935 898
Loan receivables	89 169 971	27 829 774
Other receivables and prepayments	472 665	320 308
Total financial assets	100 824 346	36 085 980



Distribution by internal credit risk rating

The table below shows the credit quality of loans. The amounts of loan principal balance and debt are distributed by internal credit risk rating and stage.

in EUR 31 Dec 2025					
Internal risk grade	PD,%	Stage 1	Stage 2	Stage 3	Total
Low	<0.56	3 385 400	68 938	0	3 454 338
Medium	>0.56-1.43	19 346 642	1 224 863	0	20 571 505
Increased	>1.43-3.7	37 105 210	4 230 883	0	41 336 093
High	>3.77-99.99	17 640 007	5 962 149	0	23 602 156
Default	100	0	0	1 288 901	1 288 901
Prepaid brokerage fee		249 525	0	0	249 525
Prepaid future income		(1 378 997)	0	0	(1 378 997)
Prepaid future income		46 450	0	0	46 450
Total		76 394 237	11 486 833	1 288 901	89 169 971

in EUR 31 Dec 2024					
Internal risk grade	PD,%	Stage 1	Stage 2	Stage 3	Total
Low	<0.56	771 901	0	0	771 901
Medium	>0.56-1.43	9 076 282	1 123 265	0	10 199 547
Increased	>1.43-3.7	8 547 182	1 239 035	0	9 786 217
High	>3.77-99.99	2 285 983	4 305 781	0	6 591 764
Default	100	0	0	822 247	822 247
Prepaid brokerage fee		66 518	0	0	66 518
Prepaid future income		(408 420)	0	0	(408 420)
Total		20 339 446	6 669 081	822 247	27 829 774

The tables do not include provisions for expected credit loss.

Concentration risk

Concentration risk is defined as an increase in the level of risk of exposures to counterparties in the same economic sector or to counterparties located in the same geographical area, as well as exposure concentration to the same counterparty. The Bank assesses and manages concentration risk by setting limits and monitoring the current situation.

Breakdown of loans geographically and by industry sectors

Geographically: As at 31 December 2025 28% of loans are to Estonian customers, 71% to Lithuanian customers and 1% loans are to Latvian customers. As at 31 December 2024 40% of loans are to Estonian customers and 60% to Lithuanian customers.



By industry sectors as at 31 December 2025:

in EUR 31 Dec 2025	Gross carrying amount	Expected credit losses	Amortized cost
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
Transporting 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 services 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
Prepaid brokerage fee	249 525	0	249 525
Prepaid future income	(1 378 997)	0	(1 378 997)
Deferred acquisition balance	46 450	0	46 450
LOAN RECEIVABLES TOTAL	90 253 684	(1 083 713)	89 169 971



By industry sectors as at 31 December 2024:

in EUR 31 Dec 2024	Gross carrying amount	Expected credit losses	Amortized cost
Wholesale and retail trade; repair of motor vehicles and motorcycles	6 234 264	(149 202)	6 085 062
Construction	5 120 222	(287 119)	4 833 103
Manufacturing	4 905 414	(91 846)	4 813 568
Information and communication	3 193 632	(81 867)	3 111 765
Transporting and storage	2 212 525	(73 281)	2 139 244
Arts entertainment and recreation	1 716 919	(25 687)	1 691 232
Administrative and support service activities	1 663 767	(59 583)	1 604 184
Real estate activities	1 108 864	(16 248)	1 092 616
Agriculture forestry and fishing	982 911	(11 453)	971 458
Financial and insurance activities	557 824	(496)	557 327
Professional scientific and technical activities	382 125	(16 682)	365 443
Mining and quarrying	312 352	(5 680)	306 673
Other services activities	280 953	(77 336)	203 618
Accommodation and food service activities	191 453	(7 057)	184 396
Human health and social work activities	116 559	(2 007)	114 552
Education	71 175	(530)	70 645
Activities of households as employers; undifferentiated goods - and services - producing activities of households for own use	27 369	(577)	26 791
Prepaid brokerage fee	66 518	0	66 518
Prepaid future income	(408 420)	0	(408 420)
Deferred acquisition balance	0	0	0
LOAN RECEIVABLES TOTAL	28 736 425	(906 651)	27 829 774



in EUR 2025	Stage 1			Stage 2			Stage 3			Total
	Gross carrying amount	Expected credit losses	Net	Gross carrying amount	Expected credit losses	Net	Gross carrying amount	Expected credit losses	Net	
Wholesale and retail trade; repair of motor vehicles and motorcycles	14 491 950	(46 976)	14 444 974	1 504 083	(10 150)	1 493 933	367 565	(33 161)	334 404	16 273 311
Construction	11 643 620	(74 256)	11 569 364	1 524 770	(11 417)	1 513 353	591 685	(186 810)	404 875	13 487 592
Manufacturing	9 040 726	(18 897)	9 021 829	2 058 364	(31 978)	2 026 386	138 431	(52 904)	85 527	11 133 742
Real estate activities	9 267 013	(11 364)	9 255 649	7 561	(361)	7 200	54 412	(32 085)	22 327	9 285 176
Transporting and storage	7 083 790	(22 680)	7 061 110	1 141 911	(8 009)	1 133 902	126 179	(86 847)	39 332	8 234 344
Financial and insurance activities	4 583 114	(3 661)	4 579 453	0	0	0	0	0	0	4 579 453
Administrative and support service activities	2 898 514	(14 181)	2 884 333	1 381 807	(10 892)	1 370 915	290 568	(145 284)	145 284	4 400 532
Information and communication	3 846 568	(7 403)	3 839 165	517 818	(14 791)	503 027	38 960	(38 960)	0	4 342 192
Professional, scientific and technical activities	4 253 245	(14 260)	4 238 985	70 145	(3 065)	67 080	0	0	0	4 306 065
Accommodation and food service activities	3 349 321	(8 348)	3 340 973	157 395	(1 983)	155 412	4 203	(4 203)	0	3 496 385
Arts, entertainment and recreation	2 391 042	(12 690)	2 378 352	873 380	(7 360)	866 020	138 909	(69 455)	69 454	3 313 826
Activities of households as employers; undifferentiated goods - and services - producing activities of households for own use	1 075 390	(8 755)	1 066 635	1 238 175	(15 858)	1 222 317	37 756	(24 240)	13 516	2 302 468
Agriculture, forestry and fishing	862 611	(9 389)	853 222	986 778	(9 225)	977 553	163 522	(4 892)	158 630	1 989 405
Education	1 600 915	(2 837)	1 598 078	27 209	(487)	26 722	0	0	0	1 624 800
Other services activities	742 212	(2 493)	739 719	64 472	(3 079)	61 393	0	0	0	801 112
Human health and social work activities	336 108	(773)	335 335	62 742	(1 123)	61 619	0	0	0	396 954
Electricity, gas, steam and air conditioning supply	170 460	(292)	170 168	0	0	0	0	0	0	170 168
Mining and quarrying	100 203	(287)	99 916	0	0	0	31 104	(15 552)	15 552	115 468
Prepaid brokerage fee	249 525	0	249 525	0	0	0	0	0	0	249 525
Prepaid future income	(1 378 997)	0	(1 378 997)	0	0	0	0	0	0	(1 378 997)
Deferred acquisition balance	46 450	0	46 450	0	0	0	0	0	0	46 450
Grand Total	76 653 780	(259 542)	76 394 238	11 616 610	(129 778)	11 486 832	1 983 294	(694 393)	1 288 901	89 169 971

*Stage 1 - Instruments without significant increase in credit risk since initial recognition

*Stage 2 - Instruments with significant increase in credit risk since initial recognition but not credit-impaired

*Stage 3 - Credit-impaired instruments



in EUR 2024	Stage 1			Stage 2			Stage 3			Total
	Gross carrying amount	Expected credit losses	Net	Gross carrying amount	Expected credit losses	Net	Gross carrying amount	Expected credit losses	Net	
Wholesale and retail trade; repair of motor vehicles and motorcycles	5 125 582	(21 636)	5 103 946	892 478	(14 886)	877 592	216 201	(112 679)	103 522	6 085 060
Construction	2 989 988	(29 081)	2 960 907	1 825 322	(42 388)	1 782 934	304 912	(215 650)	89 262	4 833 103
Manufacturing	2 834 322	(12 426)	2 821 896	1 961 647	(28 613)	1 933 034	82 078	(50 806)	31 272	4 786 202
Information and communication	2 508 771	(25 296)	2 483 475	538 351	(12 633)	525 718	146 511	(43 938)	102 573	3 111 766
Transporting and storage	1 716 300	(9 030)	1 707 270	248 647	(1 937)	246 710	252 120	(62 314)	189 806	2 143 786
Arts, entertainment and recreation	1 446 620	(16 783)	1 429 837	208 877	(804)	208 073	61 423	(8 100)	53 323	1 691 233
Administrative and support service activities	1 229 370	(9 385)	1 219 985	388 877	(4 679)	384 198	45 519	(45 519)	-	1 604 183
Real estate activities	1 030 780	(1 645)	1 029 135	0	0	0	78 084	(14 603)	63 481	1 092 616
Agriculture, forestry and fishing	597 469	(2 412)	595 057	364 442	(1 470)	362 972	21 000	(7 572)	13 428	971 457
Financial and insurance activities	557 824	(496)	557 328	0	0	0	0	0	0	557 328
Professional, scientific and technical activities	367 833	(2 389)	365 444	0	0	0	14 293	(14 293)	0	365 444
Mining and quarrying	140 784	(533)	140 251	0	0	0	171 568	(5 147)	166 421	306 672
Other services activities	4 374	(92)	4 282	205 232	(2 293)	202 939	4 672	(4 672)	0	207 221
Accommodation and food service activities	109 084	(1 099)	107 985	97 569	(1 937)	95 632	74 300	(74 300)	0	203 617
Human health and social work activities	85 373	(1 470)	83 903	31 186	(537)	30 649	0	0	0	114 552
Education	71 175	(530)	70 645	0	0	0	0	0	0	70 645
Activities of households as employers; undifferentiated goods - and services - producing activities of households for own use	0	0	0	17 940	(309)	17 631	9 429	(269)	9 160	26 791
Prepaid brokerage fee	66 518	0	66 518	0	0	0	0	0	0	66 518
Prepaid future income	(408 420)	0	(408 420)	0	0	0	0	0	0	(408 420)
Deferred acquisition balance	0	0	0	0	0	0	0	0	0	0
Grand Total	20 473 747	134 303	20 339 444	6 780 568	112 486	6 668 082	1 482 110	659 862	822 248	27 829 774

*Stage 1 - Instruments without significant increase in credit risk since initial recognition

*Stage 2 - Instruments with significant increase in credit risk since initial recognition but not credit-impaired

*Stage 3 - Credit-impaired instruments



Company credit risk related to products groups:

in EUR	31 Dec 2025	Stage 1	Stage 2	Stage 3
Business loan with collateral	77 418 004	71 344 437	3 885 453	2 188 114
Expected credit losses	(539 909)	(241 590)	(49 595)	(248 724)
Leasing for business	12 805 789	11 021 736	847 636	936 417
Expected credit losses	(372 049)	(71 866)	(10 372)	(289 811)
Microloan for business	302 681	145 376	65 217	92 088
Expected credit losses	(101 733)	(6 531)	(3 114)	(92 088)
Factoring	810 232	751 593	0	58 639
Expected credit losses	(70 022)	(11 383)	0	(58 639)
Prepaid brokerage fee	249 525	249 525	0	0
Prepaid future income	(1 378 997)	(1 378 997)	0	0
Deferred acquisition balance	46 450	46 450	0	0
Total book value of loans	90 253 684	82 180 120	4 798 306	3 275 258
Total expected credit losses	(1 083 713)	(331 370)	(63 081)	(689 262)
Total loans at amortized costs	89 169 971	81 848 750	4 735 225	2 585 996

in EUR	31 Dec 2024	Stage 1	Stage 2	Stage 3
Business loan with collateral	22 538 323	16 939 180	5 026 784	572 359
Expected credit losses	(269 820)	(88 420)	(80 681)	(100 719)
Leasing for business	3 273 096	2 197 018	715 230	360 848
Expected credit losses	(40 079)	(20 559)	(8 758)	(10 762)
Microloan for business	815 180	247 580	108 520	459 080
Expected credit losses	(466 065)	(5 231)	(2 277)	(458 557)
Factoring	2 377 428	1 431 871	930 034	15 523
Expected credit losses	(56 387)	(20 094)	(20 770)	(15 523)
Household loans	74 300	0	0	74 300
Expected credit losses	(74 300)	0	0	(74 300)
Prepaid brokerage fee	66 518	66 518	0	0
Prepaid future income	(408 420)	(408 420)	0	0
Total book value of loans	28 736 425	20 473 747	6 780 568	1 482 110
Total expected credit losses	(906 651)	(134 304)	(112 486)	(659 861)
Total loans at amortized costs	27 829 774	20 339 443	6 668 082	822 249



Collaterals and financial guarantees:

in EUR	Loans collateralized by immovable property			
	Residential immovable property	Commercial immovable property	Other collateralised loans	Financial guarantees received
31 December 2025				
Loans and advances	33 128 354	37 387 282	82 840 785	23 468 709
of which: non-performing	1 555 713	287 756	4 575 210	1 130 515
of which: Non-financial corporations	31 272 723	34 942 110	73 342 249	21 357 972
of which: Small and Medium-sized Enterprises	31 272 723	34 942 110	73 342 249	21 357 972
of which: Households	299 918	2 157 416	4 923 326	980 222

in EUR	Loans collateralized by immovable property			
	Residential immovable property	Commercial immovable property	Other collateralised loans	Financial guarantees received
31 December 2024				
Loans and advances	5 324 601	4 769 262	16 152 593	5 710 890
of which: non-performing	66 028	13 596	459 625	171 258
of which: Non-financial corporations	5 024 421	4 395 011	15 984 511	5 710 890
of which: Small and Medium-sized Enterprises	5 024 421	4 395 011	15 984 511	5 710 890
of which: Households	300 180	374 251	168 082	0

Forborne loans

Forborne loans refer to loans where the contractual terms have been changed due to the customers' financial difficulties. The purpose of the forbearance measure is to enable the borrower to make full payments again or to avoid foreclosure, or when this is not considered possible, to maximise the repayment of outstanding loans. Changes in contractual terms include various forms of concessions such as amortisation suspensions, reductions in interest rates to below market rates, forgiveness of all or part of the loan, or issuance of new loans to pay overdue amounts. Depending on when the forbearance measures are taken and the severity of the financial difficulties of the borrower, the forborne loan could either be treated as a performing forborne loan or a nonperforming forborne loan. The following table shows the gross carrying amounts of forborne loans.

Gross carrying amount of forborne loans to the public

in EUR	31 Dec 2025
Non-Performing (Credit-impaired)	591 684

No loans were restructured in 2024.



Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its future obligations in a timely or complete manner. Important liquidity risk sub-risks are payment risk and funding risk. Payment risk is the risk that the Bank will not be able to meet its obligations in a timely manner without incurring significant costs. Financing risk is the risk that the Bank will not be able to raise sufficient resources without affecting its day-to-day operations or financial condition. The overall objective of liquidity risk management is to ensure that the Bank has sufficient cash and liquid assets to meet its financial obligations on time and to increase its loan portfolio. In managing liquidity risk the Bank monitors that there are always sufficient liquidity reserves to cover loans and other contingent liabilities.

Maturity breakdown of financial assets and liabilities (undiscounted cash flows)

in EUR	31 Dec 2025	12 within months	1-5 years	5 over years
Financial assets				
Cash	11 181 710	11 181 710	0	0
Loan receivables	89 169 971	7 828 316	66 021 605	15 320 050
Other receivables and prepayments	472 665	472 665	0	0
Total financial assets	100 824 346	19 482 691	66 021 605	15 320 050
Financial liabilities				
Deposits from public and accrued interest	90 126 190	75 785 600	14 340 590	0
Subordinated loan	1 010 000	10 000	1 000 000	0
Payables to group companies	155 438	155 438	0	0
Payables and prepayments	1 265 814	1 265 814	0	0
Total financial liabilities	92 557 442	77 216 852	15 340 590	0
Duration gap of financial assets and financial liabilities	8 266 904	(57 734 161)	50 681 015	15 320 050

in EUR	31 Dec 2024	12 within months	1-5 years	5 over years
Financial assets				
Cash	7 935 898	7 935 898	0	0
Loan receivables	27 829 774	5 090 129	20 227 766	2 511 879
Other receivables and prepayments	320 308	320 308	0	0
Total financial assets	36 085 980	13 346 335	20 227 766	2 511 879
Financial liabilities				
Deposits from public and accrued interest	28 526 913	20 905 974	7 620 940	0
Subordinated loan	1 010 000	10 000	0	1 000 000
Payables to group companies	17 480	17 480	0	0
Payables and prepayments	662 375	662 375	0	0
Total financial liabilities	30 216 768	21 595 829	7 620 940	1 000 000
Duration gap of financial assets and financial liabilities	5 869 212	(8 249 493)	12 606 826	1 511 879



Interest rate risk

The interest rate risk is the mismatch between assets and liabilities due to changes in interest rates as well as the probability that the current value of financial instruments will change in a negative direction due to current changes. The purpose of monitoring and managing interest rate risk is to assess the profitability of the Bank's interest-enhancing products to forecast future profits and to avoid a significant decrease in profitability due to changes in interest rates. Loans granted by the Bank have a fixed or variable interest rate and financial liabilities are usually with a fixed interest rate for long-term period variable interest rate for loan usually is being applied and based on EURIBOR for short term period fixed interest rate could be applied. The Bank's management analyzes the market situation and avoids a possible pricing situation for loan products where an increase in interest expenses would have a decisive impact on the financial results.

Sensitivity analyses

As at 31 December 2025 every 100 bps increase in interest rates will decrease Banks interest income by 71 thousand EUR within the first 12 months. An equivalent interest rate decrease will increase interest income by 71 thousand EUR.

As at 31 December 2024 every 100 bps increase in interest rates will increase Banks interest income by 47 thousand EUR within the first 12 months. An equivalent interest rate decrease will reduce interest income by 47 thousand EUR.

Operational risk

Operational risk is the potential loss resulting from the failure or inefficiency of people processes or information systems. These risks include reputational and legal risks but not strategic and business risks which are assessed separately. Legal risk is the risk that an obligated party will default on its obligations. Reputation risk is a negative public focus on the Bank and its business

regardless of its reality which reduces the customer base, reduces revenue and increases legal costs.

To reduce operational risk the Bank defines and documents all important business processes defining tasks and responsibilities in accordance with strict rules and continuously improving information systems.

Anti Money laundering and terrorist financing risk

Anti money laundering and counter terrorist financing (AML/CTF) risk is the risk that the Bank's products will be used for money laundering or terrorist financing which may include reputational or compliance risks. Reputational risk is the risk that actual or suspected involvement in money laundering or terrorist financing will have a material effect on the Bank's financial performance which will also give rise to compliance risk. Compliance risk is the risk that the Bank will not be able to comply with the rules established for the prevention of money laundering and terrorist financing. To prevent this the Bank's management monitors the compliance of economic activities customers profiles with the established rules and the adequacy of internal procedures and control systems. The Bank's business model is also based on principles that mitigate this risk.

Market risk

Market risk is the risk of losses caused by adverse movements in market prices including the market prices of foreign currencies interest rates and securities. Market risk arises from items accounted for on and off the statement of financial position and can arise from both banking and trading book positions. The purpose of market risk management in the Bank is to correctly identify and quantify market risk and ensure that risk-conscious decisions are taken on market risk. The Bank has assessed the share of this risk currently as low because it has no assets and liabilities directly exposed to market risks. The Bank only operates in euros does not have securities



6. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. Cash and cash equivalents

	31 Dec 2025	31 Dec 2024
Cash in Central Bank	5 824 356	4 322 524
Cash in other commercial banks	5 357 353	3 613 374
TOTAL	11 181 710	7 935 898

The bank held 850 000 EUR as a mandatory minimum reserve in Central Bank as of 31 December 2025 (31 December 2024: 250 000 EUR). This obligation arises when the Bank has 10 million EUR in deposits with maturity of 2 years.

NOTE 2. Loan receivables

	31 Dec 2025	Allocation by remaining maturity			
		within 12 months	Accrued interest within 12 months	1-5 years	over 5 years
Business loan with collateral	77 418 004	7 803 518	255 257	55 026 409	14 332 820
Expected credit losses	(539 907)	(277 509)	0	(228 265)	(34 133)
Leasing for business	12 805 789	575 956	30 533	11 219 358	979 942
Expected credit losses	(372 050)	(34 640)	0	(332 975)	(4 435)
Microloan for business	302 681	175 549	1 154	125 978	0
Expected credit losses	(101 734)	(95 683)	0	(6 051)	0
Factoring	810 232	802 781	7 451	0	0
Expected credit losses	(70 022)	(70 022)	0	0	0
Household loans	0	0	0	0	0
Expected credit losses	0	0	0	0	0
Prepaid brokerage fee	249 525	249 525	0	0	0
Prepaid future income	(1 378 997)	(1 378 997)	0	0	0
Premium on Purchased Financial Assets	46 450	46 450	0	0	0
Total loans at amortized costs:	89 169 971	7 796 928	294 395	65 804 454	15 274 194



	31 Dec 2024	Allocation by remaining maturity			
		within 12 months	Accrued interest within 12 months	1-5 years	over 5 years
Business loan with collateral	22 538 326	2 912 273	72 227	17 031 663	2 522 163
Expected credit losses	(269 818)	(125 264)	0	(128 465)	(16 089)
Leasing for business	3 273 096	198 161	8 379	3 066 556	0
Expected credit losses	(40 080)	(4 605)	0	(35 475)	0
Microloan for business	815 178	579 156	2 189	233 833	0
Expected credit losses	(466 066)	(461 105)	0	(4 961)	0
Factoring	2 377 427	2 351 332	26 095	0	0
Expected credit losses	(56 387)	(56 387)	0	0	0
Household loans	74 300	0	0	74 300	0
Expected credit losses	(74 300)	0	0	(74 300)	0
Prepaid brokerage fee	66 518	66 518	0	0	0
Prepaid future income	(408 420)	(408 420)	0	0	0
Total loans at amortized costs:	27 829 774	5 051 659	108 890	20 163 151	2 506 074

Change in Brokerage fee	2025	2024
Prepaid brokerage fee at the beginning of the period	66 518	29 524
Correction of periodisation for previous years	1 386	(1 386)
Additions	332 077	68 628
Expenses for the year	(150 456)	(30 248)
Prepaid brokerage fee at the end of the period	249 525	66 518

Change in Prepaid future income	2025	2024
Balance at the beginning of the reporting period	408 420	87 647
Change	970 577	320 773
Balance at the end of the reporting period	1 378 997	408 420



Change in Expected Credit Loss	2025	2024
Balance at the beginning of the period	906 651	528 925
Additional allowances	720 763	445 539
Amounts written off	(452 775)	0
Reversals due to maturity	(90 928)	(67 813)
Credit recoveries/(credit loss) allowances net	177 062	377 726
Balance at the end of the period	1 083 713	906 651

*In 2024 income statement the amount of loan allowance during the reporting period is 376 558 EUR as it includes allowance of bonds in the amount of 1 168 EUR. In this note only allowance related to loans is presented. In 2025 there were no bonds thus no allowance for bonds

Note 3. Intangible assets

	The cost of license	Software	Total
31 Dec 2023			
Cost	370 974	55 164	426 138
Accumulated amortization	(46 373)	(9 797)	(56 170)
Carrying amount 31 Dec 2023	324 601	45 367	369 968
During 2024			
Additions	0	97 630	97 630
Amortization	(37 097)	(11 339)	(48 436)
31 Dec 2024			
Cost	370 974	152 794	523 768
Accumulated amortization	(83 470)	(21 136)	(104 606)
Carrying amount 31 Dec 2024	287 504	131 658	419 162
During 2025			
Additions	0	0	0
Amortization	(37 097)	(48 504)	(85 601)
31 Dec 2025			
Cost	370 974	(152 794)	(523 768)
Accumulated amortization	(120 568)	(69 640)	(190 207)
Carrying amount 31 Dec 2025	250 407	83 154	333 561



NOTE 4. Tangible assets

	Computers and IT systems	Other equipment	Total
31 Dec 2023			
Cost	38 970	11 669	50 639
Accumulated depreciation	(11 980)	(3 794)	(15 774)
Carrying amount 31 Dec 2023	26 990	7 875	34 865
During 2024			
Additions	25 054	64 503	89 557
Depreciation	(16 889)	(10 715)	(27 604)
31 Dec 2024			
Cost	64 024	76 172	140 196
Accumulated depreciation	(28 869)	(14 509)	(43 378)
Carrying amount 31 Dec 2024	35 155	61 663	96 818
During 2025			
Additions	26 546	0	26 546
Depreciation	(22 567)	(13 642)	(36 209)
31 Dec 2025			
Cost	90 570	76 172	166 742
Accumulated depreciation	(51 436)	(28 151)	(79 587)
Carrying amount 31 Dec 2025	39 134	48 021	87 155

NOTE 5. Other assets, prepaid expenses and accrued income

Other assets	31 Dec 2025	31 Dec 2024
Other assets	102 241	4 640
Assets for sale	73 400	0
Receivable VAT	55 438	87 077
Deposit for office	19 391	19 391
Total other assets	250 469	111 108

Prepaid expenses	31 Dec 2025	31 Dec 2024
Fees for guarantees	81 412	55 183
Prepaid IT contracts	69 807	81 681
Prepaid insurance contracts	43 614	0
Other prepaid expenses and accrued income	23 760	32 622
Total prepaid expenses and accrued income	218 593	169 486



NOTE 6. Accrued expenses, prepaid income and other liabilities

	31 Dec 2025	31 Dec 2024
Other liabilities		
Payables to employees	197 012	170 111
Vacation reserve	244 295	166 504
Trade payables and advances received	752 128	154 769
Tax liabilities	0	116 309
Other liabilities total	1 193 435	607 693
Accrued expenses and prepaid income		
Accrued expenses	72 379	54 682
Accrued expenses and prepaid income total	72 379	54 682

NOTE 7. Deposits from public

As of 31 December 2025 and 2024 all deposits were term-deposits in euros and were from private individuals. Private individual deposits in the amount of EUR 88 641 922 as at 31 December 2025 (31 December 2024: EUR 25 821 014) were mainly received through the Raisin platform from Germany. Deposits average interest rate was 2.77% in 2025 (3.47% in 2024). The distribution of customer deposits by original term is as follows:

Term	31 Dec 2025	31 Dec 2024
6 months	17 789 267	0
9 months	10 043 462	0
1 year	41 904 919	14 081 805
2 years	14 339 089	9 458 166
3 years	2 574 781	2 150 640
4 years	283 602	283 602
5 years	1 806 801	1 846 801
Transaction costs	(195 569)	(106 920)
Accrued interest	1 579 838	812 819
Total	90 126 190	28 526 913



NOTE 8. Subordinated liabilities

In 2022 subordinated loans were received in the total amount of 1 million euros. The interest rate is 12% and the maturity date is 2029. The subordinated loans were issued in euros. All subordinated loans were paid in cash.

Subordinated loans are part of Tier 2 capital and approved by Bank of Lithuania.

	31 Dec 2025	31 Dec 2024
Subordinated loans	1 000 000	1 000 000

	Sum
Accrued interest on subordinated loans as at 01 Jan 2024	10 000
Interest calculated for 2024	120 000
Interest paid during 2024	120 000
Accrued interest on subordinated loans as at 31 Dec 2024	10 000
Interest calculated for 2025	120 000
Interest paid during 2025	120 000
Accrued interest on subordinated loans as at 31 Dec 2025	10 000



NOTE 9. Interest income at effective interest rate

	2025	2024
Interest income by country		
Lithuania	4 086 997	1 602 388
Estonia	1 617 585	854 653
Latvia	9 078	0
Interest income total	5 713 660	2 457 041

	2025	2024
Interest income by product		
Interests for collateralized loans	4 058 515	1 408 186
Interest for factoring	201 583	297 093
Interests for business leasing	642 609	273 974
Interests for microloan for business	42 273	84 029
Interest for guarantees	52 787	75 084
Effective interest rate correction	563 868	139 891
Contract fee income	714 324	170 139
Transaction costs	(150 456)	(30 248)
Interest income from cash accounts	152 025	174 021
Interest income from bonds	0	4 763
Interest income total	5 713 660	2 457 041

NOTE 10. Interest expenses

	2025	2024
Interests for deposits	1 787 684	869 047
Interests for subordinated loans	120 000	120 000
Interests for other loans	0	1 963
Effective interest rate correction	264 682	0
Total interest expenses	2 172 366	991 010



NOTE 11. Staff expenses

	2025	2024
Salary costs		
Fixed part		
Management	635 994	273 120
Other staff	2 731 710	2 202 408
Variable part		
Management	12 149	0
Other staff	185 776	71 963
Management remuneration	129 270	139 034
Vacation reserve	77 790	108 008
Social security costs	251 747	282 802
Options	21 966	21 973
Total	4 046 402	3 099 308

NOTE 12. General and administrative expenses

	2025	2024
IT services expenses	661 144	657 920
Office expenses	280 201	253 124
Legal expenses	273 169	217 414
Financing fees	264 682	83 711
Tax expenses	190 009	139 769
Management and brokerage fees	162 663	30 248
Subscription fees	137 218	92 356
Advertising and marketing expenses	111 822	177 200
Other expenses	45 826	291 843
Total	2 126 734	1 943 585



NOTE 13. Deferred tax assets

	2025	2024
Accumulated tax losses for previous years	968 697	379 719
Impact of tax rate change on accumulated loss of previous periods	0	27 345
Adjustment due to changed effective tax rate	60 544	30 461
Accumulated tax losses for current year	593 771	519 584
Holiday reserve and employees' options	17 354	11 589
Total deferred tax assets	1 640 366	968 698
Less: Deferred tax assets after valuation	(1 640 366)	(968 698)
Total net deferred tax assets	0	0

Bank does not recognize deferred tax assets because it is not expected to use it during nearest periods.

NOTE 14. Related parties

Finora Group AS 100% parent company:

	Amounts receivable	Loans granted	Amounts payable	Received loans	Services rendered	Services purchased
31 Dec 2025	3 602	0	155 438	0	42 273	230 992
31 Dec 2024	39 714	0	0	0	39 714	45 701

Transactions with related parties are conducted in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with independent parties. The Bank applies transfer pricing principles in line with OECD Transfer Pricing Guidelines and local tax legislation. Controlled transactions are identified based on IAS 24 criteria and are assessed to ensure they comply with the arm's length principle. The Bank applies commonly accepted transfer pricing methods, including the comparable uncontrolled price (CUP) method, or the cost-plus method, depending on the nature of the transaction and available comparables. Pricing is reviewed regularly and adjusted where necessary to reflect market conditions and regulatory expectations.

	Interest and fee income	Interest expenses
2025	0	823
2024	0	0



Other related parties:

	Amounts receivable	Loans granted	Amounts payable	Received loans	Services rendered	Services purchased
31 Dec 2025	0	0	0	0	0	208 225
31 Dec 2024	0	0	17 480	0	0	498 448

Members of the governing bodies received management and governing body fees in the amount of 130 (2024: 140 thousand EUR) thousand EUR (gross plus other taxes) in 2025.

In 2022 in total of 17 100 share options of AS Finora Group (parent company) were issued to that time members of the management board (9 600 options) and key managers and employees (7 500 options) of the Bank. In addition 11 500 options were issued from parent company to the shareholders of Finora Group AS from whom one is also a member of the Supervisory board of the Bank (8 000 options), (both recorded only in the accounts of parent company AS Finora Group).

During 2023 6 450 options were cancelled in relation of people leaving the company and 2 200 new options were issued to a management board in relation of people joining the company. During 2024 4 600 options were cancelled in relation of people leaving the company. No new options were issued in 2024. During 2025 1 500 options were cancelled in relation of people leaving the company. No new options were issued in 2025. In 2025 options granted in 2022 reached their exercise date. No options were exercised in 2025. As at 31 of December 2025 total of 6 750 (2024: 8 250) options were active for Finora Bank key managers (2025 and 2024: 6 000 options) and employees (2025: 750 and 2024: 2 250). Options issued to shareholders of AS Finora Group (11 500 options) that are recognized only in the accounts of parent company were still active.

In 2023 a stock split was carried out in the parent company of Finora Bank AS Finora Group where the nominal value of shares was reduced by a factor of 10 (previously EUR 1 now EUR 0.1). As a result the number of shares held by shareholders increased tenfold while the total value in euros remained unchanged. Consequently the number of issued options also increased tenfold. However the total value of the options in euros remained the same as the grant price and fair value at grant date per option was reduced by a factor of 10 in line with the split. The option numbers presented above reflect the pre-split values as they were issued before the split. To convert these numbers into today's values they must be multiplied by 10. (see also Note 19 Share capital and other reserves)

Information about subordinated loans provided to related parties, please see note 8 subordinated liabilities.



NOTE 15. Cash flow statement explanation

Other non-monetary transactions	31 Dec 2025	31 Dec 2024
Change in accrued expenses and prepaid income	17 697	(55 844)
Change in employees options	21 966	21 973
Change in vacation accrual	77 791	108 007
Intangible assets written-off	0	0
Total	117 454	74 136

Total change in receivables and prepayments related to operating activities	31 Dec 2025	31 Dec 2024
Change in loan and related parties receivable	(61 492 554)	(7 546 955)
Received interest	1 346 522	356 636
Change in expected credit loss provisions	(177 060)	(376 558)
Total	(60 323 091)	(7 566 877)

NOTE 16. Contingent liabilities

	31 Dec 2025	31 Dec 2024
Contractual obligation to pay loans	2 609 607	0
Guarantees	787 476	1 207 522
Total	3 397 083	1 207 522

Provisions for guarantees were 23 thousand euros as of 31 December 2025 and as of 31 December 2024 2 thousand euros.

Finora Bank UAB has entered into an agreement with UAB ILTE, whereby ILTE provides guarantees for Finora Bank UAB issued loans. Agreement outlines specific responsibilities to Finora, including the provision of relevant documentation and confirmation of loan usage in accordance with the agreed terms. A dispute has arisen with UAB ILTE regarding improper loan utilization and document evidencing loan utilization collection. Court proceedings are currently ongoing, with a hearing scheduled for April 2026. The parties are actively negotiating the claimed amount, which has been recently reduced from EUR 341 509 to EUR 69 485. It is anticipated that Finora's withdrawal from the claim or an amicable settlement may be reached prior to the court hearing and therefor the claimed amount is recognized as contingent liability and not as an expense. This situation arose from a dispute between the Parties concerning the criteria for determining the adequacy and quality of documents evidencing loan utilization. The Parties held divergent views. Finora has demonstrated that the majority of the utilization documents it collected satisfy the required standards. Notably, the obligation to collect such documents was retrospective and is no longer effective under the current agreements with ILTE.



NOTE 17. Share capital and other reserves

31 Dec 2025	Number of shares	Nominal value	Amount
Ordinary shares	10 870 000	1	10 870 000
Total	10 870 000	1	10 870 000
31 Dec 2024	Number of shares	Nominal value	Amount
Ordinary shares	10 870 000	1	10 870 000
Unregistered	2 000 000	1	2 000 000
Total	12 870 000	1	12 870 000

Reserves

31 Dec 2025	Amount
Option reserve	87 449
Other reserves	7 500 000
Total	7 587 449
31 Dec 2024	Amount
Option reserve	65 483
Total	65 483

In 2025 parent company AS Finora Group invested additional EUR 7 500 000 to Finora Bank UAB reserves, out of which EUR 2 000 000 was paid in in December 2024 and recognized as unregistered share capital as 31 December 2024 and converted to other reserves in 2025. In 2024 parent company AS Finora Group invested EUR 8 270 000 to Finora Bank, out of which EUR 2 000 000 was recorded as unregistered capital as at 31 December 2024. The balance of share capital as at 31 December 2025 was EUR 10 870 000 (EUR 10 870 000 as at 31 December 2024 and balance of unregistered capital EUR 2 000 000) and balance of other reserves related to capital as at 31 December 2025 was EUR 7 500 000 (31 December 2024: EUR 0). The share capital and reserve increase in 2025 and 2024 was fully paid in cash. The company has not acquired and does not own any own shares.

Since 2022 The bank's parent company AS Finora Group is granting share options to members of management board of Finora Bank UAB, its managers and key employees. Total number of options issued in 2022 to these persons was 17 100 (after split value: 171 00) and 2 200 (after split value: 22 000) in 2023. Vesting period of the options is 3 years and issue of shares will be decided on the Annual General Meeting of Shareholders of AS Finora Group or Meeting of the Shareholders close to the vesting date.

Reserve of options granted as of 31 December 2025 amounted to EUR 87 449 (31 December 2024: EUR 65 483. Related expenses in statement of profit and loss in 2025 were EUR 21 966 (2024: EUR 21 973).) The fair value of options is calculated with Black-Scholes model which uses the share price of the Group volatility and risk-free interest rate as inputs. Employees do not have the possibility to take the specified amount in cash in lieu of the share options. Share options cannot be exchanged sold pledged or encumbered. Share options can be inherited. The contract of share options will expire if employee is leaving the company before vesting period but the Supervisory Board can decide otherwise.



Options outstanding as of 31 December 2025:

Date of issue	Expiry date	Pre-split values		After-split values	
		Share price at grant date	Number of options	Share price at grant date	Number of options
December 2022	December 2025	32.6	4 550	3.26	45 500
May 2023	May 2026	57	2 200	5.7	22 000
Total			6 750		67 500

Options outstanding as of 31 December 2024:

Date of issue	Expiry date	Pre-split values		After-split values	
		Share price at grant date	Number of options	Share price at grant date	Number of options
December 2022	December 2025	32.6	6 050	3.26	60 500
May 2023	May 2026	57	2 200	5.7	22 000
Total			8 250		82 500

Outstanding options have been decreased in relation of people leaving the company.

In 2025 4 550 options reached their exercise date but no options were exercised as at 31 December 2025.

In 2023 a stock split was carried out in the parent company of Finora Bank AS Finora Group where the nominal value of shares was reduced by a factor of 10 and the number of shares increased tenfold. The option numbers and share price presented above reflect both the pre-split values as they were issued before the split and after-split values. For more details please see also note 14.

NOTE 18. Proposal of the board for distribution of profit (loss)

	in EUR
Previous financial year retained earnings (loss) in the end of the year	(6 550 291)
Net profit (loss) of the reporting year	(3 219 538)
Distributable profit (loss)	(9 769 829)
Transfers from/to reserves	0
Distributable profit (loss)	(9 769 829)
Profit distribution:	
- Part of profit allocated to compulsory reserve	0
- Part of profit allocated for dividends payment	0
Retained earnings (loss) for the financial year carried forward to the next financial year	(9 769 829)



NOTE 19. Subsequent events

In November 2024, Finora Bank was subject to a regular inspection by the Bank of Lithuania as part of its ongoing supervisory activities for newly established banks. The inspection continued into early 2025. The Bank received the BoL inspection report on 28 February 2025 provided it's written explanations on 2 April 2025. The BoL decided on 18 December 2025 to initiate, and the Bank agrees with a voluntary process to conclude an administrative agreement with the Bank, finalizing the BoL inspection. An administrative agreement is planned to be signed in Q2 2026.

In March 2026, the Lithuanian tax authority initiated a routine operational tax audit of 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 Bank to Tax authority to facilitate a smooth and timely audit process.

In March 2026, two members of the Management Board, Michail Leontiev, CFO and Deputy CEO, and Šarūnas Gerasimavičius, CITO, submitted their resignations to step down from their positions. They served as Management Board members until 20th of March 2026. A contract has been signed with the new CFO and future Board Member, and his suitability is currently being assessed internally (the documents for candidacy approval will be sent to the Bank of Lithuania in March). The recruitment process for new CITO and future Board Member is also in process. On 27 February 2026, the Bank of Lithuania and on 5th of March 2026 Finora Bank Supervisory Board confirmed Darius Buzys, CRO, as a new member of the Management Board.

In March 2026, the parent company of Finora Bank, AS Finora Group, transferred €1.3 million to other reserves of Finora Bank. This transaction was made to strengthen the capital base of Finora Bank and has been reflected in the increase in other reserves of the bank.

These financial statements were prepared on 2nd of April 2026.

Šarūnas Ruzgys CEO
/signed digitally/

Eglė Martusevičienė Chief Accountant
/signed digitally/



finora bank

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