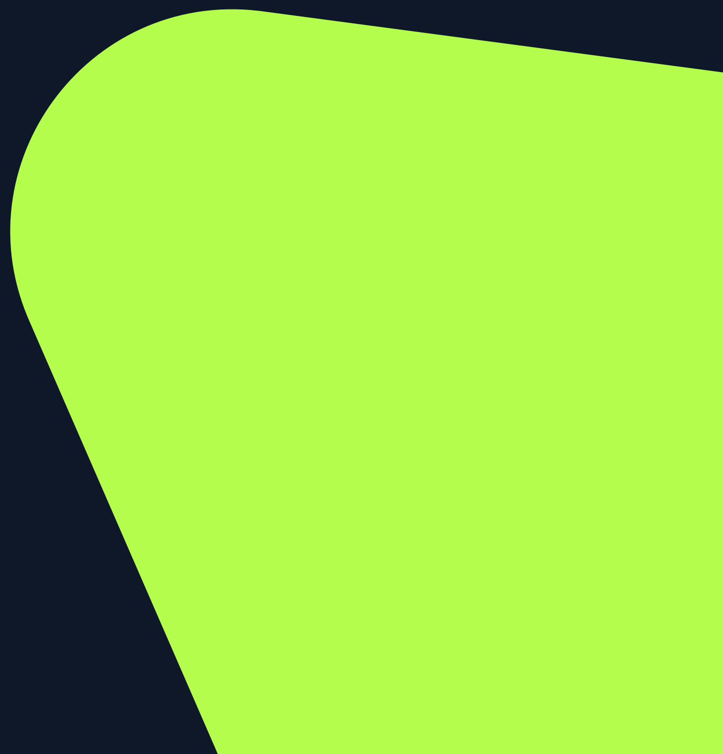
Bondora

2024 Annual Report

Bondora Group AS



Consolidated Annual Report 01.01.2024 – 31.12.2024

Business name	Bondora Group AS
Address	A. H. Tammsaare tee 56, 11316 Tallinn
Register code	14794392
Phone	+372 609 3088
Email address	bondora@bondora.com
Website	www.bondora.com
Auditor	KPMG Baltics OÜ
Auditor register code	10096082
Auditor address	Ahtri 4, 10151 Tallinn
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Supervisory Board

João Monteiro

Jevgeni Kabanov

Mart Altvee

Richard Groeneveld

Raimondas Berniunas

Management Board

Pärtel Tomberg

Liisi Klettenberg

Bondora

Table of Contents

About Us	4
Statement From the Chairman of the Board	5
Letter From the CEO	6
2024 Financial Results	7
Key Milestones From 2024	8
Our Team	9
Consolidated Financial Statements	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Profit or Loss and Other Comprehensive Income	12
Consolidated Statement of Cash Flows	13
Consolidated Statement of Changes in Equity	14
Notes to the Consolidated Financial Statements	15
Note 1. Accounting Policies	15
Note 2. Cash and Cash Equivalents	29
Note 3. Receivables and Prepayments	29
Note 4. Long-Term Financial Investments	30
Note 5. Property, Plant, and Equipment	30
Note 6. Intangible Assets	31
Note 7. Payables and Advances Received	31
Note 8. Lease Liabilities	32
Note 9. Equity	32
Note 10. Revenue	33
Note 11. Goods and Services Used	34
Note 12. Other Operating Expenses	34
Note 13. Payroll Expenses	34
Note 14. Interest Income	35
Note 15. Related Parties	35
Note 16. Risk Management	36
Note 17. Primary Financial Statements of the Parent Company	41
Statement by the Management Board	45
Independent Auditors' Report	46
Proposal for Allocation of Profit	48
Revenues According to EMTAK (The Estonian Classification of Economic Activities)	49

About Us

At Bondora, we are on a mission to help people financially to accelerate their dreams. Our customers enjoy a seamless lending and investing experience with simple online processes, clear terms, and no hidden fees.

Since 2008, nearly 200,000 customers have trusted Bondora for their financial needs, borrowing over €1 billion across five markets: Estonia, Finland, Spain, the Netherlands, and Latvia. And close to 250,000 investors across Europe have chosen us to effortlessly grow their wealth.

Our straightforward online application process, combined with instant personalized offers and flexible repayment options, ensures borrowing with Bondora is clear and hassle-free. At the same time, investors trust our automated strategies, instant liquidity, and attractive returns to reach their financial goals with ease.

Statement from the Chairman of the Board

Reflecting on 2024, I am proud of the progress Bondora has made in yet another year of strong growth and expansion. We maintained our track record of profitability for the eighth consecutive year, enabling us to keep creating value for our customers and scale responsibly.

João Monteiro
Chairman of the Board

As the financial landscape continues shifting, we remain a company that delivers while strengthening our foundation for long-term success. Our ability to operate with efficiency and precision, achieving more while maintaining a lean team, reflects the exceptional leadership and operational excellence that drive this company forward.

Strengthening governance for long-term success

A strong foundation is key to sustainable growth, and at Bondora, governance plays a crucial role in ensuring we remain on the right path. The Supervisory Board and the Management Board, under the leadership of CEO Pärtel Tomberg, work closely to steer Bondora's strategic direction, ensuring our lending activities are managed responsibly while keeping long-term growth at the center of our decisions.

To further strengthen our governance, we restructured the Supervisory Board in 2024, bringing in a majority of independent directors with deep expertise in risk management, banking, and technology scale-ups. Their guidance has been instrumental in helping us navigate challenges, identify new opportunities, and sharpen our competitive edge. In an industry where regulatory scrutiny is high, we remain fully committed to compliance in every market we operate in, ensuring that trust remains at the heart of everything we do.

Sharpening our strategy

In 2024, we refined our strategy to better serve our customers. By understanding core value drivers, we've enhanced our offerings in meaningful ways. For borrowers, this means simple, personalized, and transparent lending solutions. For investors, it's a stable, effortless, and accessible way to grow wealth. By staying true to these values, we reinforce our position as a trusted financial partner across Europe.

Beyond that, we made significant strides in risk management, expanded into new markets, and progressed toward our banking license application—key steps in securing Bondora's long-term success.

Preparing for the future

I want to thank the entire management team for their leadership and dedication in guiding Bondora through another successful year. Their focus on operational excellence and customer satisfaction has positioned the company for continued growth.

Looking ahead, we remain committed to strengthening our position as a leading force in European fintech, one that not only delivers long-term value but also continuously improves the financial experience for our customers. With a clear strategy, a strong team, and a commitment to responsible growth, I am confident that Bondora will continue to thrive in the years to come.

Letter from the CEO

At Bondora, we believe finance should be simple, transparent, and accessible to everyone. Since 2008, we've empowered 450,000 customers to take control of their financial future, whether through smart investing or flexible lending solutions.

Pärtel Tomberg
CEO, Bondora

We've built a company that operates with outstanding efficiency, leveraging automation and data-driven decision-making to scale while staying true to our core values. In 2024, we strengthened this foundation by expanding our presence, enhancing our investor platform, and maintaining financial stability even in a rapidly shifting environment.

Delivering strong results

2024 was a year of significant progress for Bondora. We issued 147,000 loans, totaling €262 million in credit—an increase of 30% from the previous year. This growth was fueled by strong demand for Bondora's lending solutions in Finland, the Netherlands, and Estonia, where more customers turned to us for simple and transparent financial services.

We also took significant steps toward expanding our footprint across Europe. We were registered as an official credit provider in Lithuania and received approval from regulators to operate in Denmark. Meanwhile, in Latvia, our newest market in 2024, our loan portfolio surpassed €2.1 million in its first year alone, reflecting strong demand and confidence in our services.

A record-breaking year for investors

Investor confidence in Bondora reached new heights in 2024 with €1 billion invested through Bondora since our launch in 2008. This is a testament to the trust and engagement of our investor community.

Our flagship investor product, Go & Grow, also celebrated its 7th anniversary, marking a significant milestone while continuing to provide an easy and stable way for people to grow their wealth. We experienced an impressive surge in investment volume, reaching €567 million in 2024—an increase of 27% from 2023. This increase highlights the strong demand for Bondora's accessible investment opportunities and the confidence investors have in Go & Grow. Meanwhile, our community grew to 195,000 active customers, up from 184,000 in 2023.

Laying the groundwork for the future

Sustainable expansion requires more than just entering new markets—it demands a solid foundation. In 2024, we made significant strides in preparing for our banking license application, refining our risk processes, strengthening our organizational structure, and assembling a highly skilled team to lead this next phase of our journey. These efforts position us to enhance our financial services and bring even greater value to our customers.

Technology remains central to our mission. By continuously refining our credit models, automating processes, and enhancing user experiences, we are building a faster, more intuitive platform for borrowers and investors alike. These improvements ensure we stay ahead of industry trends while maintaining our core promise of simplicity and transparency.

The power of the right team

Bondora's ability to achieve so much while maintaining a controlled and highly efficient team size reflects exceptional leadership, operational discipline, and a company culture that prioritizes execution over complexity. While we welcomed new talent, we also saw remarkable growth from our existing team members. Their dedication, expertise, and shared vision drive everything we do.

As we move forward, our focus remains clear: scaling intelligently, maintaining financial stability, and delivering continued value to our customers. Thank you for your trust and for being part of our journey. I am excited for what we will achieve together next.

2024 Financial Results

Years of profitability

Unique investors

↗ YoY +6%

Borrowers

↗ YoY +28%

Investment balance

↗ YoY +27%

Loan portfolio

↗ YoY +27%

Revenue

↗ YoY +19%

Return on equity (RoE)

17% in 2023

Return on assets (RoA)

13% in 2023

Net profit

↘ YoY -64%

Employees (by the end of 2024)

↗ YoY +10%

In 2024, the Group issued 147,000 loans totaling €262 million, representing a 30% increase compared to 2023, when we issued 81,000 loans totaling €202 million. Investors fund the loans issued by the Group, and we generate revenue by managing these loans. The revenue for 2024 was €52.6 million, marking a 19% increase from the previous year's €44.3 million.

Return on equity (ROE) = net profit or loss for the period / total equity

Return on assets (ROA) = net profit or loss for the period / total assets

Key Milestones from 2024

January → Kerli Lõhmus joined as Chief Financial Officer.

March → Vytautas Jūras joined as Credit Risk Officer.

Go & Grow customers invested a new monthly record amount of €31 million.

July → Reached the phenomenal milestone of €1 billion invested with Bondora.

The Netherlands' monthly loan portfolio size surpassed Estonia's for the first time

Recognized as one of CNBC's Top 250 Fintech Companies for the second consecutive year.

August → Richard Groeneveld and Raimondas Berniunas joined as new supervisory board members.

October → Celebrated issuing the largest monthly loan amount to date in Latvia.

Mario Bini joined as Chief Marketing Officer.

Recognized as one of eight Estonian companies on the 2024 Leading European Tech Scaleups (LETS) list.

November → Registered as an official credit provider in Lithuania.

Ranked 8th on the 2024 TOP Tech list of most valuable Estonian Tech companies, up fourteen places from 2023.

Our Team

Employees

In tech teams

Onboarded in 2024

Nationalities

Women in leadership roles

We are Curious

Curiosity drives us to explore, innovate, and learn to create better customer solutions and fuel long-term growth.

We are Fast

Speed keeps us ahead, allowing us to adapt and meet customer expectations. Our agility drives efficiency and satisfaction in a fast-paced world.

We are One Team

Unity, trust, and shared purpose drive our success. By working together, we achieve more, innovate faster, and deliver better solutions for our customers.

Consolidated Financial Statements

Consolidated Statement of Financial Position

€ thousand At 31 December	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents	2	13,754.5	11,489.5
Receivables and prepayments	3	7,369.2	11,203.3
Total current assets		**21,123.7**	**22,692.8**
Non-current assets			
Financial investments	4	50.0	50.0
Property, plant and equipment	5	3,218.1	2,891.6
Intangible assets	6	3,094.1	473.6
Total non-current assets		**6,362.2**	**3,415.2**
Total assets		**27,485.9**	**26,108.0**
Liabilities and equity			
Current liabilities			
Payables and advances received	7	5,354.0	4,504.7
Lease liabilities	8	765.9	569.3
Total current liabilities		**6,119.9**	**5,074.0**
Non-current liabilities			
Non-current lease liabilities	8	1,776.1	1,481.1
Total non-current liabilities		**1,776.1**	**1,481.1**
Total liabilities		**7,896.0**	**6,555.1**
Equity			
Share capital at nominal value		50.0	50.0
Share premium		4,622.2	4,611.8
Treasury shares		-1,192.0	-1.8
Mandatory capital reserve		55.5	0.0
Retained earnings (prior periods)		14,837.4	11,540.4
Profit for the period		1,216.8	3,352.5
Total equity	9	**19,589.9**	**19,552.9**
Total liabilities and equity		**27,485.9**	**26,108.0**

The notes on pages 15-46 are an integral part of the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

€ thousand	Note	2024	2023
Revenue	10	52,583.8	44,352.8
Other income		1.8	2.8
Work performed and capitalised	6	3,581.0	0.0
Goods and services used	11	-7,058.6	-4,918.4
Other operating expenses	12	-13,491.0	-14,100.5
Payroll expenses	13	-18,000.2	-15,299.7
Expenses from doubtful receivables	3	-14,404.6	-5,617.8
Depreciation, amortisation and impairment losses	5, 6	-1,796.3	-922.7
Other expense		-121.3	-7.3
Operating profit		**1,294.6**	**3,489.2**
Interest income	14	161.9	20.7
Interest expense		-130.8	-63.5
Other finance income and costs		-108.9	-93.9
Profit before tax		**1,216.8**	**3,352.5**
Profit for the financial year		**1,216.8**	**3,352.5**
Profit attributable to shareholders of the parent company		1,216.8	3,352.5
Total comprehensive income for the year		**1,216.8**	**3,352.5**

The notes on pages 15-46 are an integral part of the financial statements.

Consolidated Statement of Cash Flows

€ thousand	Note	2024	2023
Cash flows from operating activities			
Operating profit		1,294.6	3,489.2
Adjustments for:			
Depreciation, amortisation and impairment losses	5, 6	1,796.3	922.7
Other adjustments		0.0	28.6
Total adjustments		1,796.3	951.3
Changes in receivables and prepayments related to operating activities	3	4,136.8	-3,055.8
Changes in payables and advances received related to operating activities	8	296.5	230.5
Interest received	14	40.6	19.4
Interest paid	7	-130.8	-62.2
Total cash flows from operating activities		**7,434.0**	**1,572.4**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	5, 6	-3,989.2	-791.1
Payments to acquire other financial investments		0.0	-50.0
Repayments of loans provided		0.0	30.0
Other cash flows from investing activities		0.0	21.5
Total cash flows from investing activities		**-3,989.2**	**-789.6**
Cash flows from financing activities			
Proceeds from sales of treasury shares		10.5	36.5
Paid for purchase of treasury shares		-1,190.3	0.0
Other cash outflows from financing activities		0.0	-23.3
Total cash flows from financing activities		**-1,179.8**	**13.2**
Total cash flows		**2,265.0**	**796.0**
Cash and cash equivalents at the beginning of period	2	11,489.5	10,693.5
Cash and cash equivalents at the end of period	2	13,754.5	11,489.5

The notes on pages 15-46 are an integral part of the financial statements.

Consolidated Statement of Changes in Equity

€ thousand	Share capital at nominal value	Share premium	Treasury shares	Mandatory capital reserve	Retained earnings	Total
At 31 December 2022	50.0	4,575.4	-1.9	0.0	11,540.4	16,163.9
Profit for the year	0.0	0.0	0.0	0.0	3,352.5	3,352.5
Exercise of options	0.0	36.4	0.1	0.0	0.0	36.5
At 31 December 2023	50.0	4,611.8	-1.8	0.0	14,892.9	19,552.9
Profit for the year	0.0	0.0	0.0	0.0	1,216.8	1216.8
Transfer to capital reserve	0.0	0.0	0.0	55.5	-55.5	0.0
Exercise of options	0.0	10.4	0.1	0.0	0.0	10.5
Purchase of treasury shares	0.0	0.0	-1,190.3	0.0	0.0	-1,190.3
At 31 December 2024	**50.0**	**4,622.2**	**-1,192.0**	**55.5**	**16,054.2**	**19,589.9**

The notes on pages 15-46 are an integral part of the financial statements.

Notes to the Consolidated Financial Statements

Note 1. Accounting Policies

1.1 General information

Bondora Group AS (hereinafter 'the Group') is a company incorporated and domiciled in the Republic of Estonia (registry number 14794392, address: A. H. Tammsaare tee 56, 11316 Tallinn). which operates in the field of consumer credit, issuing consumer loans in countries in the euro area.

The Estonian Financial Supervision and Resolution Authority has granted Bondora Group a licence for operating as a credit provider in Estonia. The Group sells the receivables related to loans issued to investors. The loans sold are not held as financial assets of the Group.

These financial statements have been prepared and submitted for approval in accordance with the requirements and obligations set forth in the Estonian Accounting Act and the Commercial Code.

In accordance with the requirements of the Estonian Commercial Code, the annual report prepared by the Management Board and approved by the Supervisory Board must also be approved by the general meeting of the shareholders. This annual report is part of the annual report to be approved by the shareholders and is one of the bases for deciding on the distribution of profit. Shareholders have the right not to approve the annual report prepared by the management board and approved by the supervisory board and to demand the preparation of a new report.

The financial statements have been prepared in euros (€), which is the company's presentation and functional currency. All figures are presented in thousands of euros.

The Group's financial statements for the year 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission (hereinafter EU IFRS).

The financial statements for the year 2024 have been prepared for the period 1 January 2024 – 31 December 2024.

The financial statements have been prepared under the historical cost convention and the accrual basis of accounting, unless otherwise stated in the accounting policies below.

1.2 Management's estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make assumptions, estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of a change in an accounting estimate is recognised in the current and any future periods affected by the change.

Areas where management's judgements and estimates have a significant effect on the financial statements and financial results include the valuation of receivables and capitalisation of development expenditures, which are described in detail in accounting policies. Further information on relevant accounting policies is provided below.

Management believes that the underlying assumptions are appropriate and the financial statements prepared on the basis of those assumptions present fairly the financial position and financial performance of the company.

1.3 Preparation of consolidated statements

In accordance with the Estonian Accounting Act, the notes to the consolidated financial statements must include the separate primary financial statements of the parent (the consolidating entity). The separate financial statements have been prepared using the same accounting policies and measurement bases that were used on the preparation of the consolidated financial statements.

The financial statements of the parent and all the subsidiaries under its control are consolidated line by line. All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

These consolidated financial statements comprise the financial statements of Bondora Group AS and its subsidiaries Bondora AS with its Finnish branch (100%), Bondora Finance AS (100%), Bondora Solutions OÜ (100%), and Bondora Capital OÜ with its subsidiary BC Structured Finance OÜ (100%).

1.4 Accounting policies for financial assets and liabilities

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, transaction costs are added to fair value, except for financial assets at fair value through profit or loss, in the case of which transaction costs are recognised as expenses in the income statement. Financial assets measured at fair value are recognised in the statement of financial position at the date of the transaction.

The Group derecognises a financial asset when:

1. its contractual rights to the cash flows from the financial asset expire or have been realised;
2. it transfers substantially all the risks and rewards of ownership of the financial asset.

1.5 Transactions in a foreign currency and financial assets and liabilities denominated in foreign currencies

Transactions denominated in foreign currencies are recorded at the official exchange rates of the European Central Bank at the date of the transaction.
Monetary financial assets and liabilities denominated in foreign currencies are translated into euros at the official exchange rates of the European Central Bank at the reporting date.

Gains and losses from foreign currency transactions are recorded in the income statement in the net amount.

1.6 Financial assets

Classification of financial assets

According to IFRS 9 Financial Instruments, financial assets must be classified into one of three categories:

1. assets classified as subsequently measured at amortised cost;
2. assets classified as measured at fair value through other comprehensive income;
3. assets classified as measured at fair value through profit or loss.

The classification of a debt instrument depends on the entity's business model for managing the financial assets and the type of cash flows expected from the financial assets.

Equity instruments must always be classified at fair value or, at management's irrevocable election, at fair value through other comprehensive income, assuming that the instrument is not held for trading purposes. If an equity instrument is held for trading purposes, the changes in its fair value must be recognised in profit or loss.

The expected credit loss model is used to assess the impairment of financial instruments. This is a three-step approach based on the change in the credit quality of financial assets since initial recognition.

The classification depends on whether the asset is a debt instrument, an equity instrument or a derivative financial instrument.

Debt instruments

A debt instrument is an instrument, that from the perspective of the issuer, is a financial liability.

The business model explains how the Group governs its financial assets to create cash flow. That is, whether the Group's objective is to collect contractual cash flows or to both collect contractual cash flows and sell the assets. In case neither business model is appropriate (e.g. the financial assets are held for t trading), as the assets are classified to the 'other' business model and measured at fair value through profit or loss.

Debt instruments are divided into three measurement categories:

1. Financial assets held to collect contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, and which have not been designated as at fair value through profit or loss, are measured at amortised cost.
2. Financial assets held both to collect contractual cash flows and to sell the assets with the cash flows consisting solely of principal and interest on the principal amount outstanding, and which have not been designated as at fair value through profit or loss, are measured at fair value through other comprehensive income.
3. Financial assets that do not meet the requirements for measurement at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

The Group classifies financial assets into the category of loans and receivables. Debt instruments are classified as 'Financial investments' in the statement of financial position.

The Group's business model for loans is to collect contractual cash flows. Loans are sold only when a significant credit risk arises. Therefore, the business model for this asset portfolio is to hold assets to collect contractual cash flows.

The Group recognises all financial assets at amortised cost.

Amortised cost and effective interest rate

Amortised cost is the cost of a financial asset or liability less any principal repayments and plus or minus any cumulative amortisation of any difference between the original cost and the maturity amount using the effective interest rate method and, in the case of a financial asset, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount (i.e. amortised cost before any loss allowance) of the financial asset or to the amortised cost of a financial liability. The calculation does not consider expected credit losses, but includes all fees and costs paid or received between parties to the contract, transaction costs and all other premiums or discounts that are an integral part of the interest rate, such as loan issuance costs.

based on the terms of the Loan Agreement and the User Agreement, loans issued to customers are not recognised as financial assets in the Group's statement of financial position because the receivables are resold to investors. Similarly, the funds raised from investors for the acquisition of receivables are not recognised as deposits from customers. The portal operator can only use the user's money that has been transferred to the Bondora environment in accordance with the User Agreement and the Loan Agreement and to fulfil the portal operator's responsibilities under the same agreements.

As an exception, loan receivables acquired through the Bondora environment by BC Structured Finance OÜ, a consolidated subsidiary in which the parent company has an indirect holding, are recognised in the Group's statement of financial position.

Equity instruments

An equity instrument is an instrument that, from the perspective of the issuer, meets the definition of an equity instrument, which means the instrument does not include any contractual obligation to make payments and evidences an interest in the company's net assets, i.e. assets after the subtraction of all liabilities.

Equity instruments are measured at fair value, except where fair value cannot be reliably measured, in which case they are measured at amortised cost.

Measurement of financial assets

The Group measures the expected credit loss of financial instruments measured at amortised cost based on forward-looking information. An important factor in measuring this is the historical experience of the Group's parent company with loan recovery.

Expected credit losses are measured in a way that reflects:

1. an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes;
2. the time value of money;
3. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The expected credit loss measuring model provided in IFRS 9 has three stages that consider the change in the credit quality since initial recognition. The 12-month stage (stage 1) is applied to all line items, except where there has been a significant increase in credit risk since initial recognition. Line items with a significant increase in credit risk (stage 2) or decrease in value (stage 3, the expected credit loss is always measured at an amount equal to lifetime expected credit losses.

Cash and cash equivalents

Cash and cash equivalents comprise current accounts and term deposits with a maturity of up to three months.

In the statement of financial position, cash and cash equivalents are measured at fair value by applying the official exchange rates of the European Central Bank as at the reporting date.

1.7 Shares in subsidiaries and associates

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account.

The financial statements of the subsidiaries are prepared for the same period as the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

From the date of acquisition, a subsidiary is recognised in the statement of financial position of the parent and fully consolidated in preparing the consolidated financial statements.

The date of acquisition is the date on which the Group obtains control of the subsidiary.

A subsidiary is consolidated until the date the Group loses control of it.

In the parent company's statement of financial position, investments in subsidiaries are recognised using the cost method.

1.8 Property, plant and equipment and intangible assets

Property, plant and equipment

Property, plant and equipment are tangible items which are used in the Group's own economic activities and have a useful life of more than one year. Assets whose useful life exceeds one year but cost is insignificant are recognised as an expense.

At initial recognition, an item of property, plant and equipment is measured at cost, which consists of the purchase price (including customs duties and other non-recoverable taxes) and any other costs directly attributable to bringing the asset the location and condition necessary.

When an item of property, plant and equipment consists of significant parts that have different useful lives, the parts are accounted for separately.

The costs of subsequent improvements to items of property, plant and equipment are added to the carrying amount of the underlying asset or recognised as separate parts of the improved item if they meet the definition of property, plant and equipment and the recognition criteria (including it being probable that the costs will participate in the generation of future economic benefits).

The original cost of the replaced item or a part of it and the related depreciation charge is derecognised. Current maintenance and repair costs are recognised as an expense as incurred.

In the statement of financial position, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any impairment losses. At the reporting date, the management of as the Group assesses whether there is any indication that an asset may be impaired.

If the recoverable amount of an item of property, plant and equipment (the higher of the asset's net selling price and value in use) is lower than its carrying amount, the asset is written down to its recoverable amount.

Depreciation of an asset begins when it is in the location and condition intended by management. Depreciation of an asset ceases when the depreciable amount is fully depreciated or the asset is permanently retired from use. Depreciation of an asset temporarily retired from use does not cease.

At the reporting date, the Group assesses whether the depreciation rates assigned to assets correspond to their remaining useful lives. Where necessary, the rates are adjusted.

The effect of changes in estimates is recognised in the current and subsequent periods.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Intangible non-current assets are intangible assets which the Group expects to use for more than one year.

An intangible asset is recognised in the statement of financial position only if the asset is controlled by the Group, it is probable that the expected future economic benefits which are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. An intangible asset is measured initially at its cost, which comprises the purchase price and any other directly attributable acquisition costs.

Development expenditure is the expenditure incurred in the application of research findings to the development, design or testing of specific new products, services, processes or systems.

Development expenditure is capitalised and recognised as an intangible asset if all of the following criteria are met: completion of the asset is technically and financially feasible; the Group intends to complete the asset; the Group can use or sell the asset; the future economic benefits expected from the asset are measurable (this includes the existence of a market for the output of the asset or the asset itself); the development expenditure attributable to the asset can be measured reliably.

At each reporting date, management assesses whether there is any indication that an asset may be impaired. If there is such indication, the asset is tested for impairment by estimating its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use calculated by applying the discounted cash flow method.

When tests indicate that the recoverable amount of an asset is lower than its carrying amount, the asset is written down to its recoverable amount. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the smallest group of assets to which the asset belongs (the cash-generating unit) is determined. Write-downs (impairment losses) are recognised as an expense in the period in which they are made.

When the test of the recoverable amount of an asset written down in a prior period indicates that the asset's recoverable amount has increased above its carrying amount, the previously recognised impairment loss is reversed and the carrying amount of the asset is increased. The increased carrying amount may not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised.

The threshold for recognising assets as items of property, plant and equipment and intangible assets is €1,000. Useful lives by assets classes (in years):

- Computers and computer systems 4 years
- Other items of property, plant and equipment 4 years
- Right-of-use of assets 3 years
- Patents, licences and trademarks 5 years
- Development expenditures 3 years
- Other intangible assets 3 years

1.9 Leases

The Group accounts for leases in accordance with IFRS 16 Leases.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset from the commencement of the lease and, if the lease payments are made over a period, also obtaining financing.

As a result, IFRS 16 eliminates the classification of leases into operating and finance leases as was done under IAS 17 and instead establishes a single accounting model for lessees.

Lessees must:

1. recognise assets and liabilities for all leases of more than 12 months, unless the leased asset is of low value;
2. recognise depreciation on leased assets and interest on lease liabilities in the income statement.

The lease liability is measured at the present value of the remaining lease payments and discounted at the incremental borrowing rate of 3.5%.

On the adoption of IFRS 16 the Group used the following simplifications permitted by the standard:

1. a single discount rate was applied to all leases;
2. at the date of initial adoption of the standard, the initial direct costs were excluded from the estimation the value of the leased assets;
3. the lease term was determined based on the terms agreed in the contract.

1.10 Financial liabilities

According to IFRS 9 Financial instruments, the Group recognises a financial liability when it becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised at the trade date at fair value, minus the transaction costs attributable to the issue of the liability, such as service fees.

The Group measures financial liabilities at amortised cost.

As an exception, the Group recognises bond discounts, which, under the terms of the contract, are discounts of the financial investments acquired with the funds raised from the issue of bonds. The discount is presented as decrease of the liability. The discount is calculated based on the Group's historical data (including the expected rates of recovery and insolvency) and the information available about the debt instrument at the date of the calculation.

The interest expense on the financial liability is recognised based on the instrument's effective interest rate, on an accrual basis, in the income statement within 'Interest expense' in the period in which it is incurred.

A financial liability (or a part of a financial liability) is removed from the statement of financial position when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

1.11 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged or a liability settled between independent market participants in an orderly transaction at the measurement date. Fair value is measured on the assumption that the sale of the asset or settlement of the liability takes place 1. in the principal market for the asset or liability or 2. in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring the fair value of an asset or liability, it is assumed that market participants base their pricing decisions on their economic interests. The Group uses fair value measurement methods that are appropriate in the circumstances and for which there is sufficient data to estimate fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Financial instruments carried at fair value are measured at each reporting date at their fair value, net of any transaction costs incurred in realising the financial instrument.

An indicator of the fair value of a financial instrument is its market value. In the absence of an active market, recent purchase and sale transactions for the same or similar financial instruments can be used. If the fair value of a financial asset carried at fair value can no longer be reliably measured, the carrying amount of the asset at the time when the fair value was last measured is determined as the new cost of the asset. Such an asset is carried at cost (less any impairment losses) until its fair value can again be reliably measured.

Gains and losses arising from changes in fair value are recognised in the income statement, i.e. in profit or loss, within other finance income and costs.

1.12 Share-based payments

The Group has established a share option programme, under which the Group's employees are paid for their services by issuing options to acquire shares in Bondora Group AS. The fair value of the options issued is recognised as the Group's payroll expense and as an increase in equity (other reserves) during the term of the option programme. The total amount of expenses is determined based on the fair value of the options at the time the options are granted. The fair value of the options is determined by taking into account the conditions affecting the option price, including the price of the most recent transactions with the shares of Bondora Group. At the end of each reporting period, the Group estimates how many options are likely to be exercised. The effects of changes in the original estimates are recognised in the income statement and as a counter entry in equity. When the options are exercised, this may be done at the expense of existing treasury shares or Bondora Group AS

issues new shares. According to the terms of issue of the options, the exercise of the options after 3 years does not give rise to social tax expense.

1.13 Income

Income is the increase in economic benefits through the increases in assets, or decreases in liabilities, that result in increases in equity, other than those relating to equity contributions from owners. Income includes revenue from contracts with customers.

Revenue is recognised when the promised service is provided to customers and in an amount that reflects the consideration that the Group expects to receive from providing that service.

Revenue is recognised using a five-step model:

1. identify the contract with the customer
2. identify the separate performance obligations (contractual promises to the customer)
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations
5. recognise the revenue over the time or at the point in time when the performance obligations are satisfied.

Most of the Group's income results from two services:

1. contract fees charged for the conclusion of loan agreements between the Group and the loan recipients;
2. monthly loan contract administration fees.

A contract fee is recognised as income when the contract between the Group and the loan recipient has been concluded. The service is paid for at the same time. The service is considered to be rendered when the contract has been signed. The management fee is recognised as income on a monthly basis over the agreed schedule.

As the Group's revenues are always based on contracts, the Group collects all overdue revenues through the courts. Based on historical debt collection statistics, the Group recognises revenue regardless of whether the service is paid for on time or late.

All expenses related to the generation of contract fees and administration fees are recognised as fee expenses.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset or liability, excluding assets whose value decreased at the time of purchase or issue or after the issue of the instrument.

Income from dividends is recognised when the Group's right to receive the dividends is established.

1.14 Taxation

Under the Income Tax Act in force in Estonia, a company's profit for the year is not subject to income tax.

Income tax is levied on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business expenses and transfer price adjustments.

The profit distributed as dividends is subject to income tax of 22% (the amount of tax payable is calculated as 22/78 of the amount distributed as the net dividend).

The corporate income tax payable on dividends is recognised as a liability and income tax expense in the period in which the dividends are declared, irrespective of the period for which the dividends are declared or the period in which the dividends are actually distributed.

The obligation to pay income tax arises on the 10th day of the month following the month in which the dividends were distributed.

Due to the nature of the taxation system, there are no differences between the tax bases and carrying amounts of the assets and liabilities of companies registered in Estonia that could give rise to deferred tax assets or liabilities.

The contingent income tax liability that would arise if all of the retained earnings were distributed as dividends is not recognised in the statement of financial position.

1.15 Statutory capital reserve

According to the Commercial Code, the Group forms a statutory capital reserve using annual net profit transfers. In each financial year, the Group transfers at least 1/20 of the net profit to the capital reserve until the capital reserve amounts to 1/10 of share capital.

1.16 Events after the reporting date

The consolidated financial statements reflect all significant events affecting the valuation of assets and liabilities that became evident between the reporting date and the date on which the financial statements were authorised for issue but are related to transactions of the reporting period or prior periods.

Subsequent events that are indicative of conditions that arose after the reporting date but which will have a significant effect on the results of the next financial year, are disclosed in the notes to the consolidated financial statements.

1.17 New IFRS standards and their amendments

The following new and amended standards are effective for annual periods beginning after 1 January 2024, with early adoption permitted. The Group has not early adopted any of these new or amended standards and does not expect them to have a material impact on its consolidated financial statements when they become effective.

- Lack of Exchangeability (Amendments to IAS 21) (effective for annual reporting periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, IFRS 7)
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Annual improvements to IFRS – Volume 11.

New or amended standards and interpretations approved by the European Union for annual periods beginning after 1 January 2024.

Amendments to IAS 21: Lack of Exchangeability
In accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, an entity uses a spot rate when translating a foreign currency transaction. In some jurisdictions, no spot rate is available because a currency cannot be exchanged for another currency.
The amendments to IAS 21 clarify:
• when a currency is exchangeable for another currency, and
• how an entity estimates an estimated spot rate when a currency lacks exchangeability.
The amendments also include additional disclosure requirements that help users assess the impact of using an estimated exchange rate on the financial statements.

The Group estimates that the amendments will not have a material impact on its financial statements as there are no transactions in currencies that lack exchangeability.

New or revised standards and interpretations that are effective for annual periods beginning after 1 January 2024 that have not yet been approved by the European Union.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted)

Settlement of liabilities through electronic payment systems
The timing of the recognition and derecognition of financial assets and liabilities has varied in practice, particularly when they have been settled using an electronic payment system. The amendments to IFRS 9 clarify when a financial asset or liability is recognised and derecognised.

Under the amendments, an entity generally derecognises a financial liability on the settlement date. This is usually the date on which payment is made.

The amendments also provide an exception that allows an entity to derecognise a liability before the settlement date, i.e. on the date on which payment is initiated and cannot be cancelled. The exception can be used if the entity uses an electronic payment system that meets all of the following criteria:
• there is no practical possibility of withdrawing, suspending or cancelling the payment order;
• the payment order does not provide access to the funds used for settlement; and
• the settlement risk associated with the electronic payment system is insignificant.

Companies may apply the exemption to electronic payments on a system-by-system basis.

Classification of financial assets with contingent features
Under IFRS 9, it was not clear whether the contractual cash flows of some financial assets with contingent features represented only payments of principal and interest on the principal amount outstanding, which is a condition for measurement at amortised cost. As a result, such financial assets could have been measured at fair value through profit or loss.

The amendments introduce an additional principal and interest-only test for financial assets whose contingent features are not directly related to changes in the basic lending risks or costs– for example, where the cash flows change depending on whether the borrower meets the sustainability (ESG) objectives set out in the loan agreement.

Under the amendments, certain financial assets, including those with sustainability-related features, may now meet the principal and interest-only test, provided that their cash flows are not materially different from the cash flows of an identical financial asset that does not have such a feature.

The amendments also include additional disclosures for all financial assets and liabilities that have certain contingent features.

Contractually linked instruments and non-recourse features
The amendments clarify the key features of contractually linked instruments and their difference from financial assets with non-recourse features. The amendments also include factors that an entity must consider when assessing the underlying cash flows of a financial asset with non-recourse features (the 'look through' test).

Disclosure of information about investments in equity instruments
The amendments require additional disclosures about investments in equity instruments measured at fair value through other comprehensive income.

The Group is assessing the impact of the amendment on its financial reporting.

IFRS 18 Presentation and Disclosure in Financial Statements
(Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes in the requirements are summarised below.

More structured statement of profit or loss
IFRS 18 introduces new definitions for subtotals – 'operating profit' and 'profit (loss) before financing and income tax' – and a requirement that all income and expenses be allocated to three new separate categories based on the entity's primary activities: operating, investing and financing.

Under IFRS 18, entities are no longer permitted to disclose operating expenses only in the notes. An entity must present operating expenses in a manner that provides the most useful structured summary of its expenses, by:
- nature,
- function or
- a mixed presentation.

If operating expenses are presented by function, the new disclosure requirements apply.

Management-defined performance measures that must be disclosed and audited
IFRS 18 also requires disclosure of some measures not required by GAAP. The standard establishes a narrow definition for management-defined performance measures, which states that:
- they are a subtotal of income and expenses;
- they are used in public communications outside the financial statements; and
- they reflect management's view of financial performance.

For each management-defined performance measure presented, the company must explain in a note to the financial statements why the information provided by the measure

is useful, how it is calculated, and compare it to the measure calculated in accordance with IFRS standards.

Greater disaggregation of information
To provide investors with better insights into financial performance, the new standard provides more detailed guidance on the grouping of information in the financial statements. This includes guidance on whether information should be presented in the primary financial statements or further disaggregated in the notes.

Companies are discouraged from labelling items as 'Other' and, if they do so in the future, they must provide additional information.

Other changes applicable to the primary financial statements
IFRS 18 sets operating profit as the starting point for reporting cash flows from operating activities using the indirect method and eliminates the option to classify interest and dividend cash flows as operating activities in the statement of cash flows (this is different for entities with specified operating activities). It also introduces a new requirement to present goodwill as a separate line item in the balance sheet.

Transition
In the annual financial statements prepared for the period in which the new standard is first applied, an entity shall present a reconciliation for each line item in the statement of profit or loss for the comparative period immediately preceding that period, disclosing:
• the adjusted amounts presented in accordance with the requirements of IFRS 18, and
• the amounts previously presented in accordance with IAS 1.

The Group estimates that the new standard may have a material impact on its financial statements when first applied. The Group is assessing the potential impact of the application of IFRS 18 on its financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
(Effective for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.)

IFRS 19 permits qualifying subsidiaries to apply IFRS standards with the reduced disclosure requirements of IFRS 19.
A subsidiary may apply the new standard in its consolidated, separate or individual financial statements provided that at the reporting date:
• it does not have public accountability;
• its parent prepares publicly available consolidated financial statements in accordance with IFRS standards.

A subsidiary that applies IFRS 19 must clearly state in its explicit and unreserved statement of compliance with IFRS standards that it has adopted IFRS 19.

The Group is assessing the impact of the standard on its financial statements.

Annual improvements to IFRSs – Volume 11
(Effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.)

In this volume of improvements, the IASB has made minor amendments to IFRS 9 Financial Instruments and four other accounting standards. The amendments to IFRS 9 address:

- A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers in relation to how trade receivables are measured at initial recognition, and
- How a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendments to IFRS 9 require entities to measure trade receivables without a significant financing component at initial recognition at an amount determined in accordance with IFRS 15. They also clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The Group is assessing the impact of the improvements on its financial statements.

Note 2. Cash and Cash Equivalents

	31.12.2024	31.12.2023
Bank accounts	13,754.5	11,489.5
Total cash and cash equivalents in the statement of financial position	**13,754.5**	**11,489.5**
Bank accounts off the statement of financial position (Portal Administrator Accounts)	38,940.3	28,442.3
Total bank accounts	**52,694.8**	**39,931.8**

The cash the users transfer to the Bondora environment under the User Agreement and the Loan Agreement is held in the portal operator's current accounts with SEB Pank and LHV Pank (also referred to as portal operator's current accounts).

The portal operator does not pay interest to the users for the money in the portal operator's current account. The portal operator may use the cash the users have transferred to the environment of Bondora under the User Agreement and the Loan Agreement solely in accordance with the terms of the said agreements and to fulfil its obligations under those agreements. The cash transferred by a user constitutes property (an asset) transferred for the performance of a mandate as defined in section 626 of the Law of Obligations Act. By nature, the underlying amount at bank constitutes a claim (against the bank) which the portal operator has acquired in its own name but on the account of the user and which the portal operator may use to perform its mandate only. Thus, relevant funds are not part of the portal operator's bankruptcy estate and no claim can be made on those funds in enforcement proceedings against the portal operator, nor are the funds recognised in the portal operator's statement of financial position. For users this means, above all, that the cash they transfer to the account of Bondora does not become the property of Bondora, but the user retains all the necessary rights to reclaim the cash in full should Bondora run into financial difficulty.

A separate account has been opened to administer the claims transferred by Bondora, which is used to receive payments from enforcement agents and debt collection companies. Bondora has the obligation to immediately transfer the amounts paid into that account to the investors' accounts with the portal. Thus, relevant funds are not part of the portal operator's bankruptcy estate and no claim can be made on those funds in enforcement proceedings against the portal operator, nor are the funds recognised in the portal operator's statement of financial position.

Note 3. Receivables and Prepayments

At 31 December	2024	2023
Trade receivables	25,420.8	15,620.9
Allowances for receivables	-19,578.9	-5,188.0
Total trade receivables	**5,841.9**	**10,432.9**
Loan receivables	0.0	0.0
Accrued income	159.7	45.5
Prepaid expenses	688.6	261.6
Security deposits	677.7	428.3
Other short-term receivables	0.0	29.2
Other prepayments	1.3	5.8
Total receivables and prepayments	**7,369.2**	**11,203.3**

Trade receivables are due within 12 months. In the reporting period an impairment loss of €14,404.6 thousand was recognised (2023: €5,617.8 thousand).

Note 4. Long-term Financial Investments

An investment in FlowstepDesign OÜ in the amount of €50 thousand by which Bondora Group AS acquired a 1.32% stake in the company, has been recognised as a long-term financial investment. According to management's estimates, at 31 December 2024 the fair value of the investment approximated the acquisition cost, because the acquisition took place recently (in August 2023), the transaction itself is an indicator of fair value, and there is currently no active market for the investment.

Note 5. Property, Plant and Equipment

	Computers and computer systems	Other equipment	Other items	Pre-payments	Total
At 31 December 2022					
Cost	75.6	17.3	1,533.7	216.0	1,842.6
Accumulated depreciation	-38.0	-7.0	-737.7	0.0	-782.7
Carrying amount	37.6	10.3	796.0	216.0	1,059.9
Acquisitions and additions	1.7	87.6	2,375.7	64.5	2,529.5
Depreciation	-17.8	-16.1	-663.9	0.0	-697.8
At 31 December 2023					
Cost	77.3	104.9	3,909.4	280.5	4,372.1
Accumulated depreciation	-55.8	-23.1	-1,401.6	0.0	-1,480.5
Carrying amount	21.5	81.8	2,507.8	280.5	2,891.6
Acquisitions and additions	104.1	0.0	848.7	-280.5	672.3
Depreciation	-19.5	-25.4	-300.9	0	-345.7
At 31 December 2024					
Cost	181.4	104.9	4,758.1	0.0	5,044.4
Accumulated depreciation	-75.3	-48.5	-1,702.5	0.0	-1,826.3
Carrying amount	**106.1**	**56.4**	**3,055.6**	**0.0**	**3,218.1**

Note 6. Intangible Assets

	Development expenditures	Capitalised IT costs	Other intangible assets	Pre-payments	Total
At 31 December 2022					
Cost	554.4	0.0	303.8	250.0	1,108.2
Accumulated amortisation	-407.8	0.0	-94.7	0.0	-502.5
Carrying amount	146.6	0.0	209.1	250.0	605.7
Acquisitions and additions	35.0	0.0	63.2	0.0	98.2
Amortisation	-125.4	0.0	-104.8	0.0	-230.2
At 31 December 2023					
Cost	589.4	0.0	367.0	250.0	1,206.4
Accumulated amortisation	-533.2	0.0	-199.5	0.0	-732.7
Carrying amount	56.2	0.0	167.5	250.0	473.7
Acquisitions and additions	28.4	3,581.0	18.5	0.0	3,627.9
Amortisation	-51.6	-592.9	-113.0	0.0	-757.5
Reclassifications	0.0	0.0	0.0	-250.0	-250.0
At 31 December 2024					
Cost	617.8	3,581.0	385.5	0.0	4,584.3
Accumulated amortisation	-584.8	-592.9	-312.5	0.0	-1,490.2
Carrying amount	**33.0**	**2,988.1**	**73.0**	**0.0**	**3,094.1**

of the Group has capitalised the IT costs incurred to create and improve the software used by the Group to issue loans. The amortisation period of the software is 3 years.

Note 7. Payables and Advances Received

Payables and advances received	31.12.2024	31.12.2023
Trade payables	1,965.9	1,510.3
Payables to employees	630.5	586.3
Taxes payable	727.0	659.6
Accrued tax liabilities	488.2	463.6
Total financial liabilities	**3,811.6**	**3,219.8**
Bonus and vacation pay liability	1,539.6	1,011.4
Other short-term payables	2.8	273.5
Total payables and advances received	**5,354.0**	**4,504.7**

Taxes payable	31.12.2024	31.12.2023
Value added tax	208.3	158.4
Personal income tax	165.8	163.2
Income tax on fringe benefits	16.2	13.0
Social security tax	305.5	294.3
Funded pension contributions	13.3	13.3
Unemployment insurance tax	17.9	17.4
Total taxes payable	**727.0**	**659.6**

All payables are due within 12 months except for the bonus liability of€ 1,114 thousand, which is due in the future subject to the achievement of certain performance targets.

Note 8. Lease Liabilities

	Balance at 31 December	Up to 1 year	1-5 years
Lease liabilities at 31 December 2023	2,050.4	569.3	1,481.1
Lease liabilities at 31 December 2024	2,542.0	765.9	1,776.1

Lease liabilities include the leases of Bondora's offices, which are accounted for in accordance with IFRS 16. Interest expenses related to the leases amounted to €128.3 thousand in 2024 (2023: €62.2 thousand).

Note 9. Equity

At 31 December 2024 and 31 December 2023, Bondora Group's share capital was €50 thousand, the number of shares was 500,014 and the nominal value of a share was €0.1.

The Group has three types of shares: the number of A shares was 341,602, the number of B shares was 102,303 and the number of C shares was 56,109. A shares are ordinary shares with voting rights and give the shareholder all the rights arising from a share provided for by law. B shares give the shareholder all the rights arising from a share provided for by law and additionally the special rights provided for in the articles of association. C shares are ordinary shares with voting rights and also have additional special rights. Holders of B and C shares have additional rights in the event of liquidation of the Group.

In the event of liquidation of the Group, before any distribution to holders of A shares, the following will be paid: the holder of C shares will receive twice the price paid for C shares and the holder of B shares will receive once the price paid for B shares.

The Group issues share options to its employees. The number of shares to be subscribed for under the option agreements concluded by the Group varies individually, but is generally up to 500 shares per person. Each option gives the right to purchase 1 (one) share. The employee has the right to subscribe for options issued under the option programme established in 2016 after 3 years. In the case of options issued under the option programme established in 2023, the right to subscribe for options vests gradually: 10% after the first year, 20% after the second year, 30% after the third year and the remaining 40% in the event of a public offering or sale of shares by the Group.

The Management Board has estimated that the fair value of the share options as at the reporting date is €0. The exercise price of the options issued is higher than the fair value of the shares at the grant date of the options and, consequently, the options will only have value if the value of the shares increases in the interim period. In accordance with IFRS 2, options granted to employees that are exercised in shares are measured at their fair value at the grant date and are not subsequently remeasured. The fair value of an option is calculated using the Black-Scholes model, which uses the share price, option exercise price, volatility and risk-free interest rate as inputs.
To cover the options, the Group had acquired 20,515 treasury shares by the end of the reporting period (at the end of 2023: 17,640). The Group will not incur any additional costs when the options are exercised.

Transactions with options	Number of options
Options outstanding at 31 December 2022	22,264
Granted	1,267
Exercised	-1,382
Forfeited	-6,919
Options outstanding at 31 December 2023	15,230
Granted	15,474
Exercised	-625
Forfeited	-4,191
Options outstanding at 31 December 2024	**25,888**

A total of 13,858 options from the 2016 option programme with an average exercise price of €97 per share and a total of 12,030 options from the 2023 option programme with an exercise price of €200 per share are outstanding.

As at 31 December 2024, the Group could pay out €949.1 thousand as dividends to the shareholders, which would be taxed at the rate of 22/78 and would give rise to income tax expense of €267.7 thousand.

Note 10. Revenue

Revenue by geographical area:

	Contracts with customers	Other revenue	2024	Contracts with customers	Other revenue	2023
Estonia	16,956.0	4,836.2	21,792.2	16,295.0	4,973.0	21,268.0
Finland	15,601.7	9,553.5	25,155.2	11,645.9	8,029.9	19,675.8
Spain	1,429.9	340.4	1,770.3	1,818.3	721.9	2,540.2
Netherlands	2,150.3	1,414.5	3,564.8	385.4	395.3	780.7
Other EU countries	192.4	108.9	301.3	1.2	86.9	88.1
Total revenue	**36,330.3**	**16,253.5**	**52,583.8**	**30,145.8**	**14,207.0**	**44,352.8**

Revenue by type:

	Contracts with customers	Other revenue	2024	Contracts with customers	Other revenue	2023
Loan management fees	26,840.9	0.0	26,840.9	23,104.2	0.0	23,104.2
Loan contract fees	9,489.4	0.0	9,489.4	7,041.6	0.0	7,041.6
Other service fees	0.0	15,104.0	15,104.0	0.0	13,113.5	13,113.5
Court fees claimed	0.0	374.4	374.4	0.0	294.3	294.3
Other revenue	0.0	775.1	775.1	0.0	799.2	799.2
Total revenue	**36,330.3**	**16,253.5**	**52,583.8**	**30,145.8**	**14,207.0**	**44,352.8**

Overview of receivables and allowances related to contracts with customers is presented in Note 3.

Note 11. Goods and Services Used

	2024	2023
IT management	-2,163.9	-1,798.1
Debt collection	-3,081.5	-2,027.3
Creditworthiness assessment	-1,813.2	-1,093.0
Total goods and services used	**-7,058.6**	**-4,918.4**

Note 12. Other Operating Expenses

	2024	2023
Marketing expenses	-8,132.7	-8,450.2
Outsourced services	-3,448.7	-4,172.9
Office costs	-454.7	-430.3
Travel expenses	-205.7	-181.2
Training expenses	-217.5	-221.0
Bank fees	-296.6	-261.5
Lease expenses	-51.7	-42.4
Transport costs	-43.0	-40.1
Postal and communications expenses	-24.5	-24.3
Other expenses	-615.9	-276.6
Total other operating expenses	**-13,491.0**	**-14,100.5**

Note 13. Payroll Expenses

	2024	2023
Salary expenses	-12,849.3	-10,864.7
Social security taxes	-4,090.2	-3,472.1
Other employee benefits, tax expenses	-1,060.7	-962.9
Total payroll expenses	**-18,000.2**	**-15,299.7**

In 2024, the Group's average number of employees (full-time equivalent) was 177 (2023: 166). The costs related to employees working outside Estonia through labour agencies are also included in the payroll expenses and number of employees.

	2024	2023
Employees with an employment contract	166	156
Employees working under contracts under the law of obligations	1	1
Members of the management or supervisory bodies	10	9
Average number of employees (full-time equivalent)	**177**	**166**

Note 14. Interest Income

	2024	2023
Interest income on financial investments	0	2.3
Interest income on bank deposits	161.9	18.4
Total interest income	**161.9**	**20.7**

Note 15. Related Parties

In the Group's annual report the following are considered as related parties:

- a shareholder with a significant ownership interest and companies related to the shareholder;
- members of the Management Board and Supervisory Board;
- persons with an economic interest equivalent to the Group's management and companies related to them.

Transactions with related parties	2024	2023
Services purchased from the executive and higher management	370.9	97.3
Remuneration of the executive management	1,588.4	980.1

Note 16. Risk Management

The Management Board is responsible for the assessment and day-to-day management of the risks that may significantly affect the Group's operations. A risk management system has been established to monitor the main risks, the output of which is a risk report, which defines all the most important risks and the activities to mitigate them.

This report is updated quarterly, the activities carried out to manage risks are assessed and the next objectives are defined.

The report is also submitted to the Group's Supervisory Board for review. The Group's Management Board has identified the following risks as significant: credit, liquidity, operational, currency, interest rate, and other price risk.

Credit risk management

Credit risk is the risk that the counterparty to a transaction is unable or unwilling to meet its obligations and the collateral for the transaction is not sufficient to cover the Group's claims. Credit risk may arise from any transaction in which there is an actual or potential claim against the counterparty.

Cash and cash equivalents, trade receivables and other short-term receivables are exposed to credit risk. As the Group holds a significant portion of its free liquid funds with banks that are part of groups with of A and B credit ratings, they do not represent a significant credit risk to the Group.

Cash and cash equivalents by credit rating of the bank where they are deposited:

Name of the bank	Rating	31.12.2024	31.12.2023
SEB Pank AS	Aa3	425.7	412.2
LHV Pank AS	Baa3	13,328.8	11,064.2
SEB Pank AS (off the statement of financial position)	Aa3	2,406.3	12,807.0
LHV Pank AS (off the statement of financial position)	Baa3	36,534.0	15,635.3

Although SEB Pank AS does not have a credit rating, it is part of the SEB Group, which has a long-term credit rating of Aa3 (Moody's). LHV Pank AS has a base credit assessment (BCA) of Baa3 from Moody's. The latest long-term credit rating presented on the banks' websites has been used.

When entering into an agreement with a customer, Bondora assesses the customer's solvency and obtains information about the customer's previous payment behaviour. In order to better select customers, Bondora cooperates in target markets with companies that provide information on credit behaviour and, if necessary, also with collection agencies.

In addition, Bondora assesses the customers' previous payment behaviour over the past 6 months and monitors the fulfilment of obligations to Bondora. On the basis of the above data, Bondora assesses the probability of customers' obligations being fulfilled correctly.

Bondora ensures sufficient training of employees authorised to analyse the customers' solvency and payment behaviour.

In summary, Bondora considers credit risk to be significantly lower than operational risk, as Bondora assigns receivables to investors and the proportion of loans in which Bondora has invested is still a small part of total assets.

The Group's lending activities are guided by market conditions and the distribution of funds available for investment by investors.

The loan portfolio is diversified across different countries and the Group monitors the distribution of the portfolio and the revenue structure across different countries to ensure the stability of its economic activity and to avoid excessive dependence on any single market. Since Bondora issues consumer loans to individuals and the maximum loan amount is €15,000, the customer base is sufficiently diversified and the company's economic activity is not significantly dependent on individual customers.

Assets exposed to credit risk	31.12.2024	31.12.2023
Cash and cash equivalents	52,694.8	39,931.8
Trade receivables	25,420.8	15,620.9
Financial investments	50.0	50.0
Other receivables and prepayments	1,527.3	770.4

The Group's management assesses the quality of receivables on a monthly basis. The Group has recognised a loss allowance for trade receivables. There has been no need to estimate a loss allowance for other receivables.

In 2024, the loss allowance model for receivables was improved. The assessment of receivables is based on the expected credit loss model, where the expected credit loss is the product of the probability of default and the loss rate. Receivables are divided into groups based on the number of days past due and the expected credit loss rate is found for each group.

In 2023, the principle used to assess trade receivables as doubtful was that receivables that were 30-365 days overdue were written down by 60% and receivables that were more than 365 days overdue were written down by 100%.

The Group's financial liabilities that are measured at amortised cost and have short-term maturities do not involve any credit risk.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations that require the transfer of cash or other financial assets. Long-term liquidity risk is the risk that the Group will not have sufficient available cash or other sources of liquidity to meet its future liquidity needs to execute its business plan and meet its obligations, or that the Group will need to raise funds in a hurry.

The following table presents the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

Exposure to liquidity risk At 31 December 2024	0-3 months	3-12 months	1-5 years	Total
Lease liabilities	187.8	578.1	1,776.1	2,542.0
Trade payables	1,965.9	0.0	0.0	1,965.9
Payables to employees	630.5	0.0	0.0	630.5
Taxes payable	727.0	0.0	0.0	727.0
Accrued tax liabilities	488.2	0.0	0.0	488.2
Total financial liabilities	**3,999.4**	**578.1**	**1,776.1**	**6,353.6**

Exposure to liquidity risk At 31 December 2023	0-3 months	3-12 months	1-5 years	Total
Lease liabilities	145.4	423.9	1,481.1	2,050.4
Trade payables	1,510.3	0.0	0.0	1,510.3
Payables to employees	586.3	0.0	0.0	586.3
Taxes payable	659.6	0.0	0.0	659.6
Accrued tax liabilities	463.6	0.0	0.0	463.6
Total financial liabilities	**3,365.2**	**423.9**	**1,481.1**	**5,270.2**

Capital management

The Group's capital management objectives are to ensure the sustainability of the company and the availability of sufficient capital for the continuation and development of its activities.

Capital management objectives are determined based on both regulatory minimum requirements and an internally defined buffer.

The most important regulatory requirement is the minimum share capital of €50 thousand set by the Creditors and Credit Intermediaries Act. At 31 December 2024 and 31 December 2023, the Group was in compliance with the regulatory capital requirements.

The Group's financing is mainly based on equity. The Group holds free cash in current accounts with Estonian banks.

Capital management and liquidity planning are part of the daily financial activities and the management has set liquidity limits that are monitored monthly.

Market risk management

The market risk of financial investments arises from changes in interest rates, foreign exchange rates and prices of financial assets. The Group does not have financial investments whose change in fair value due to changes in market prices could affect the Group's financial performance.

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Financial assets and liabilities denominated in euros are considered to be free of foreign exchange risk.

The Group's main exposure to currency risk arises from suppliers' invoices denominated in foreign currencies. As transactions in foreign currencies are immaterial, management estimates that the Group’s exposure to currency risk is not significant and has not considered it necessary to establish procedures to hedge currency risk at this time.

At 31 December 2024, all of the Group's financial receivables and most of its financial liabilities were denominated in euros. At 31 December 2024, the balance of the Group's liabilities in other currencies was USD 41 thousand. A +/-10% change in the USD exchange rate would have resulted in a profit or loss of €4 thousand.

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates.

At the reporting date, the Group had no interest-bearing liabilities.

Interest-bearing receivables are cash in bank accounts, the interest rate of which changes according to the bank's price list.

The Group's loans are sold to investors. Loans are subject to different interest rate and/or total cost of credit limits in different countries, which may change and affect the ability to generate income from loans in the future. The Group generates income from the management of the loan portfolio and therefore the interest rate risk has been transferred to investors.

Accordingly, the Group does not consider the risk to be significant and has not considered it necessary to establish procedures to hedge interest rate risk at this time.

Price risk is the risk arising from changes in market prices. As the Group issues loans and assigns loan receivables to investors, management considers the impact of price risk on the Group's operations to be low.

Fair value

The Group estimates that the carrying amounts of financial assets and liabilities carried at amortised cost in the consolidated statement of financial position do not differ significantly from their fair values at 31 December 2024.

Trade receivables and trade payables are carried at amortised cost and, as trade receivables and trade payables are current n nature, management estimates that their carrying amounts approximate their fair values.

Operational risk

Operational risk is the risk of direct or indirect loss resulting from human activity, systems that are inadequate or fail to function as expected, or external events. Operational risk is the risk (including legal risk) arising from employees, contracts and documentation, technology, infrastructure, natural disasters, external influences and customer relationships. Operational risk does not include business and reputational risk. All of the Group’s activities can be sources of operational risk.

Particular attention is paid to operational risk mapping when:

- launching new products or new versions of existing products, introducing new IT systems or new versions of existing IT systems;
- introducing new hardware;
- introducing a new physical location;
- introducing new or modified processes;
- changing the organizational structure, introducing new partners and contracts;
- outsourcing services.

The impacts of operational risk loss events are mitigated by developing and continuously updating business continuity plans, implementing appropriate and sufficient crisis management methods, and concluding appropriate insurance contracts where appropriate and necessary.

Note 17. Primary Financial Statements of the Parent Company

Parent Company Statement of Financial Position

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	912.7	252.9
Receivables and prepayments	3,539.4	1,765.2
Total current assets	**4,452.1**	**2,018.1**
Non-current assets		
Investments in subsidiaries	530.0	529.0
Financial investments	50.0	50.0
Property, plant and equipment	3,218.1	2,891.6
Intangible assets	3,094.1	223.7
Total non-current assets	**6,892.2**	**3,694.3**
Total assets	**11,344.4**	**5,712.4**
Liabilities and equity		
Current liabilities		
Payables and advances received	7,104.1	1,960.7
Lease liabilities	765.9	569.3
Total current liabilities	**7,870.0**	**2,530.0**
Non-current liabilities		
Non-current lease liabilities	1,776.1	1,481.1
Total non-current liabilities	**1,776.1**	**1,481.1**
Total liabilities	**9,646.0**	**4,011.1**
Equity		
Share capital at nominal value	50.0	50.0
Share premium	600.0	589.6
Treasury shares	-1,192.0	-1.8
Mandatory capital reserve	5.0	0.0
Retained earnings (prior periods)	1,058.5	581.6
Profit for the period	1,176.8	481.9
Total equity	**1,698.3**	**1,701.3**
Total liabilities and equity	**11,344.4**	**5,712.4**

Parent Company Statement of Profit or Loss and Other Comprehensive Income

	2024	2023
Revenue	30,472.2	9,931.8
Other income	0.8	0.6
Goods and services used	-972.2	-801.5
Other operating expenses	-21,652.5	-3,336.6
Payroll expenses	-4,759.9	-4,333.6
Depreciation, amortisation and impairment losses	-1,796.3	-922.7
Other expense	-6.6	-2.1
Operating profit	**1,285.4**	**535.8**
Interest income	19.7	8.3
Interest expense	-128.4	-62.2
Profit before tax	**1,176.8**	**481.9**
Profit for the financial year	**1,176.8**	**481.9**
Total comprehensive income for the year	**1,176.8**	**481.9**

Parent Company Statement of Cash Flows

	2024	2023
Cash flows from operating activities		
Operating profit	1,285.4	535.8
Adjustments for:		
Depreciation, amortisation and impairment losses	1,796.3	922.7
Other adjustments	0.0	35.8
Total adjustments	1,796.3	958.5
Changes in receivables and prepayments related to operating activities	-1,772.2	656.2
Changes in payables and advances received related to operating activities	4,551.9	-1,138.2
Interest received	19.7	7.0
Interest paid	-128.4	-62.2
Total cash flows from operating activities	**5,752.8**	**957.1**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-3,989.2	-791.1
Paid for purchase of subsidiaries	0.0	-25.0
Paid for other financial investments	0.0	-50.0
Loans provided	0.0	-76.0
Repayments of loans provided	76.0	30.0
Total cash flows from investment activities	**-3,913.2**	**-912.1**
Cash flows from financing activities		
Paid for purchase of treasury shares	-1,190.3	0.0
Proceeds from sales of treasury shares	10.5	36.5
Total cash flows from financing activities	**-1,179.8**	**36.5**
Total cash flows	**659.8**	**81.5**
Cash and cash equivalents at the beginning of period	252.9	171.4
Cash and cash equivalents at the end of period	912.7	252.9

Parent Company Statement of Changes in Equity

	Share capital nominal value	Share premium	Treasury shares	Mandatory capital reserve	Retained earnings	Total
At 31 December 2022	50.0	553.2	-1.9	0.0	581.6	1,182.9
Profit for the year	0.0	0.0	0.0	0.0	481.9	481.9
Other changes in equity	0.0	36.4	0.1	0.0	0.0	36.5
At 31 December 2023	50.0	589.6	-1.8	0.0	1,063.5	1,701.3
Profit for the year	0.0	0.0	0.0	-5.0	1,176.8	1,171.8
Other changes in equity	0.0	10.4	-1,190.2	5.0	0.0	-1,174.8
At 31 December 2024	**50.0**	**600.0**	**-1,192.0**	**0.0**	**2,240.3**	**1,698.3**

Carrying amount of interests under control or significant influence	-530.0
Value of interests under control or significant influence under the equity method	18,421.6
Adjusted unconsolidated equity at 31 December 2024	**19,589.9**

Statement by the Management Board

The data and supplementary information presented in the consolidated financial statements of Bondora Group AS for 2024 are true and complete and no data or information has been omitted that would affect their content or meaning. The management report gives a true and fair view of the development and results of the Group's business and includes a description of the main risks and uncertainties. The consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and referred to in section 17 of the Estonian Accounting Act. The group annual report for 2024 complies with the laws of the Republic of Estonia. The Group is a going concern.

The group annual report of Bondora Group AS for 2024 will be presented to the annual general meeting of shareholders for approval in April 2025. The previous group annual report was approved by the annual general meeting of shareholders on 12 August 2024.

Pärtel Tomberg

Member of the Management Board Board

Signed digitally

Liisi Klettenberg

Member of the Management

Signed digitally

31 March 2025

KPMG Baltics OÜ
Ahtri 4
Tallinn 10151
Estonia

Telephone +372 6 268 700
Internet www.kpmg.ee

Independent Auditors' Report

(Translation of the Estonian original)

To the Shareholders of Bondora Group AS

Opinion

We have audited the consolidated financial statements of Bondora Group AS and it's subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements presented on pages 10 to 44, present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements.

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 and we state that the information presented in the management report is materially consistent with the consolidated financial statements and in accordance with the applicable legal and regulatory requirements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

KPMG Baltics OÜ, an Estonian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Reg no 10096082.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing (Estonia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

KPMG Baltics OÜ
Licence No 17

Eero Kaup

Certified Public Accountant, Licence No 459

Tallinn, 31 March 2025

Proposal for allocation of profit

The Management Board of Bondora Group AS proposes to the general meeting of the shareholders that the Group's net profit for 2024 in the amount of €1,216.8 thousand be allocated as follows:

- transfer €1,216.8 thousand to retained earnings.

Revenues according to EMTAK (the Estonian classification of economic activities)

Economic activity	Code	Revenue (€)
Other activities auxiliary to financial services	66199	30,472,203

Bondora Group AS

A. H. Tammsaare tee 56, 11316 Tallinn

+372 609 3088

bondora@bondora.com

www.bondora.com