

esto

UNAUDITED

Financial Results 2025 3M

ESTO GROUP Financial results for 2025/3M

5%

GROWTH OF LOANS
ISSUED

233M¹

VOLUME OF
TRANSACTIONS

690K

USERS

135K

CREDIT APPLICATIONS
APPROVED

€8.2M

REVENUE

€4.3M

EBITDA

€2.3M

NET PROFIT

0.2%

NET NPL TO NET
PORTFOLIO

26th

CONSECUTIVE PROFITABLE
QUARTER

Delivering record profitability while strengthening liquidity and governance.

¹ The total value of financial activities conducted within the reporting period, primarily related to issued loans, credit transactions, and deposits



May 2025, ESTO GROUP (ESTO Holdings OÜ) presents unaudited consolidated financial results for the three months ending 31 March 2025.

Key Highlights

✓ **Record top- and bottom-line performance.**

- Q1 revenue reached € 8.2 million, up 16 % YoY.
- EBITDA came in at € 4.3 million (+53 % YoY), yielding a 52 % EBITDA margin.
- Net profit surged to € 2.3 million (+114 % YoY), lifting the net margin to 28 % and already surpassing our initial full-year budget.

✓ **Consistently profitable through seasonality.**

- Tight cost controls in January/February preserved margins during the post-holiday lull, allowing us to post € 1.47 million YTD net profit after two months and to accelerate to €838k in March alone.

✓ **Healthy credit growth with robust portfolio quality.**

- Q1 credit issuance totalled € 21.6 million (+5 % YoY); March issuance jumped 33 % MoM to € 8.35 million.
- The gross loan portfolio closed the quarter at € 77.7 million (+16 % YoY) while loss rates remained below plan, driving the earnings out-performance.

✓ **Liquidity strengthened and funding costs reduced.**

- Secured a € 4.9 million overdraft facility with Citadele Bank on favourable terms in February, complementing our undrawn off-balance-sheet credit lines and pushing available liquidity to a new peak for the Group.

✓ **All covenants comfortably met.**

- Strong earnings and disciplined leverage kept us well inside every covenant basket across bank and capital-markets facilities throughout the quarter.

✓ **Balanced profitability across markets.**

- Estonia continues to generate significant cash; Latvia reached breakeven in March, and Lithuania is narrowing its gap. Diversification is proving margin-accretive and supports scalable expansion.

✓ **Poised for the next growth leg.**

- Following the Q1 brand refresh, outreach ramp-up, and offline growth push, we are positioned for strong drive in GMV and to sustain disciplined, high-velocity portfolio growth into Q2.

✓ **Governance and investor communications after reporting date.**

- Following the end of Q1 2025, the FY2024 external audit conducted by KPMG was completed with the audited annual report published on 30.04.2025. Additionally, in May we launched a redesigned investor relations website.

These results underscore the structural profitability of our model and provide ample capacity to reinvest in growth while maintaining a conservative risk and liquidity profile.

Mikk Metsa, Founder and CEO of ESTO, commented,

"Q1 2025 marked another all-time high across our core financial metrics. We delivered €8.2 million in revenue, €4.3 million in EBITDA, and €2.3 million in net profit—our best quarterly performance to date. Our gross loan portfolio reached €77.7 million by quarter-end, continuing a disciplined but high-velocity growth trajectory.

All three markets are performing in line with our strategic expectations. Estonia remains highly profitable. Latvia reached net profitability this quarter. Lithuania is closing the gap fast. Growth across the Baltics is sustainable and margin-accretive.

We also completed our 2024 Big Four audit with KPMG, publishing clean and consolidated accounts that reaffirm our transparency and operational quality. On the liquidity side, we hit a new peak. The new banking facility signed with Citadele Bank further strengthens our funding base and positions us well for continued scale.

Our focus remains the same: operate lean, scale smart, and build a structurally profitable fintech ecosystem for Baltic commerce."

Business performance

(in thousands of euros)

Operational highlights

	2025/3M	2024/3M	Δ in %
GMV	36,940	40,662	-9%
Total volume of transactions ¹	233,146	253,858	-8%
Loans issued	21,572	20,572	5%
Credit applications approved (count)	135,190	206,892	-35%
	2025.03.31	2024.03.31	
Net Loan portfolio ²	74,613	63,347	18%
Gross Loan portfolio ²	77,652	66,972	16%
Total unique point of sales (count)	6,131	5,044	22%
Total number of users (count)	690,482	552,603	25%

Financial highlights

	2025/3M	2024/3M	Δ in %
Revenue	8,183	7,060	16%
EBITDA	4,260	2,791	53%
Net Profit	2,306	1,075	114%
	2025.03.31	2024.03.31	
Total Assets	82,208	69,021	19%
Equity (incl. Tier-II capital)	20,538	13,162	56%

¹ The total value of financial activities conducted within the reporting period, primarily related to issued loans, credit transactions, and deposits.

² Including other loans.

Strategic and Operational Highlights

Personal

- ✓ **Next-Gen Customer Profile Framework:** Deployed a fully re-engineered customer profile interface, driving materially improved user experience and increasing visibility of credit products. Resulting engagement uplifts have directly contributed to ecosystem conversion and higher recurring revenue per user.
- ✓ **Affiliate Channel Activation:** Launched GoodAff in Latvia, opening a new, high-leverage customer acquisition rail through affiliate networks. Early traffic conversion validates this as a scalable, low-CAC source of qualified volume.
- ✓ **Record Performance in Consumer Loan Schedules:** In March 2025, ESTO posted its highest volume of signed consumer loan schedules since December 2023, underscoring the effectiveness of refreshed marketing strategies and product-level funnel optimization.

Business

- ✓ **B2B Channel Expansion:** Signed 251 new merchant partnerships across the Baltics in Q1—marking a material uplift in merchant penetration and reinforcing ESTO's positioning as the fintech partner of choice in e-commerce credit.
- ✓ **Embedded Commerce Integrations:** Activated Shopify onboarding capabilities and revamped Mozello integration across Estonia and Lithuania, enabling faster merchant activation and deeper checkout-level financing integration.
- ✓ **Portfolio Yield Optimization:** Proactively reduced POS low-IRR portfolio to €6.10 million (reverting exposure to 2021 levels), while simultaneously scaling high-IRR POS assets to €6.94 million—a new all-time high. The resulting shift enhances overall portfolio ROA and reduces capital drag.
- ✓ **Merchant Lifecycle Automation:** Fully automated B2B communications framework launched, including 30-60-90-day merchant reactivation workflows and targeted nudging on Deals visibility and Faster Settlement utility.

Commerce

- ✓ **ESTO Deals Platform Evolution:** Rolled out a series of conversion-optimized enhancements to the Deals product, resulting in measurable UX improvements. Deals has transitioned from an isolated product to an embedded component of the B2B sales stack, supporting acquisition, retention, and upsell.
- ✓ **Channel Efficiency Gains:** ESTO Deals continued to outperform as a high-velocity, low-CAC traffic engine. Multi-merchant formats across Meta and email demonstrated superior CTR and engagement, cementing Deals as a core acquisition and monetization lever.

Other Operational Highlights

- ✓ **Merchant Thought Leadership:** Successfully executed ESTO's first-ever merchant conferences in Riga and Vilnius, with strong attendance from Baltic e-commerce operators. Events established ESTO as a category-defining platform in embedded finance and retail enablement.
- ✓ **Liquidity Reinforced:** Closed a €4.9 million revolving credit facility with Citadele Banka in Q1, further diversifying funding sources, increasing undrawn capacity, and ensuring origination headroom under aligned covenant terms.
- ✓ **AI Deployment and Ops Optimization:** Deployed internal GPT-based agentic tooling across fraud, collections, and resale – streamlining workflows and reducing manual touchpoints. Q2 roadmap includes expanded agent deployment across credit ops and merchant onboarding.
- ✓ **Finance AI Enablement:** Launched "AI @ ESTO Finance" with enterprise-grade LLMs, unlocking new use cases in predictive analytics and operational forecasting. Roadmap execution now embedded in FP&A and risk cycles.
- ✓ **Model Governance Upgrade:** Instituted a formal Loan-Loss Reserve Committee with monthly model review cadence, producing IFRS 9 aligned signoffs and full auditable traceability of ECL logic across cohorts.
- ✓ **Talent Acquisition:** Strengthened core teams with key hires across product Deals PO, engineering (senior backend), and risk Fraud Manager joining in Q2, reinforcing bench depth for next-phase scaling.



Financial review

Key financial ratios

Capitalization	2025.03.31	2024.03.31
Equity to assets ratio	26%	20%
Capitalization ratio	28%	21%

Profitability	2025/3M	2024/3M
Interest coverage ratio (TMT)	2.1	1.5
Annualized net interest margin	23%	21%
Cost to income ratio	23%	23%
EBITDA margin	52%	40%
Annualized return on assets	11%	6%
Annualized return on equity	71%	64%

Asset quality	2025.03.31	2024.03.31
Provision cost to loan portfolio	4%	6%

Pledged loan receivables %	2025.03.31	2024.03.31
ESTO Bond	120%	120%

Consolidated Statement of Financial Position

The table below sets out the consolidated statement of financial position for the three months ending 31 March 2025 and 31 December 2024, in thousands of euros.

(in thousands of euros)

	31.03.2025	31.12.2024	Δ in %
ASSETS			
Current assets			
Cash and cash equivalents	2,213	2,535	-13%
Loans and advances to customers	63,969	62,801	2%
Prepayments	943	915	3%
Other assets	1,167	951	23%
Total current assets	68,292	67,202	2%
Non-current assets			
Loans and advances to customers	10,644	10,013	6%
Property and equipment	88	83	5%
Intangible assets	2,805	2,604	8%
Other assets	379	364	4%
Total non-current assets	13,916	13,064	7%
TOTAL ASSETS	82,208	80,265	2%
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Loans and borrowings	35,279	33,493	5%
Interest payables	485	502	-3%
Trade payables and other payables	1,992	1,401	42%
Tax liabilities	192	156	23%
Total current liabilities	37,949	35,551	7%
Non-current liabilities			
Loans and borrowings	30,273	32,845	-8%
Total non-current liabilities	30,273	32,845	-8%
TOTAL LIABILITIES	68,222	68,396	0%

	31.03.2025	31.12.2024	Δ in %
Equity			
Share capital	10	10	-
Share premium	435	435	-
Merger reserve	(23,952)	(23,952)	-
Voluntary capital	27,413	27,602	-1%
Retained earnings	7,774	893	770%
Total comprehensive income	2,306	6,881	-66%
Total equity	13,986	11,869	18%
TOTAL EQUITY AND LIABILITIES	82,208	80,265	2%

Assets

The Group's total assets grew by 2% reaching € 82.2 million on 31 March 2025, compared with € 80.3 million as of 31 December 2024.

Loan portfolio

As of 31 March 2025, our loans and advances to customers net of impairment loss allowance reached € 74.6 million. This represents a 2% increase from the € 72.8 million as of 31 December 2024.

Liabilities

As of 31 March 2025, the Group's total liabilities were € 68.2 million, a slight decrease compared to 31 December 2024.

Loans and borrowings

The Group's loans and borrowings decreased to € 65.6 million as of 31 March 2025, from € 66.4 million as of 31 December 2024.

Equity

As of 31 March 2025, the Group's total equity increased to € 14.0 million from € 11.9 million as of 31 December 2024.

Consolidated Statement of Profit and Loss and Other Comprehensive income

The table below sets out the consolidated statement of profit and loss and other comprehensive income for the three months ending 31 March 2025 and 31 March 2024, in thousands of euros.

(in thousands of euros)

	2025/3M	2024/3M	Δ in %
Interest and similar income from loans	6,301	5,162	22%
Interest expense	(1,907)	(1,698)	12%
Net interest and similar income from loans	4,395	3,464	27%
Other interest income	84	63	33%
Total other interest income	84	63	33%
Fee and commission income	872	674	29%
Fee and commission expense	(494)	(506)	-2%
Net fee and commission income	378	169	124%
Net loss arising from derecognition of financial assets measured at amortised cost	(929)	(1,029)	-10%
Impairment losses on financial instruments	41	(231)	-118%
Other operating expenses	(800)	(650)	23%
Personnel expenses	(755)	(636)	19%
Depreciation and amortisation	(64)	(56)	14%
Other expenses	(60)	(56)	6%
Profit before income tax	2,290	1,037	121%
Income tax	15	38	-59%
Profit for the period	2,306	1,075	114%
Other comprehensive income			
Other comprehensive income to be classified to profit or loss in subsequent periods:			
Unrealized gain from financial instruments	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the period	2,306	1,075	114%

Net loss arising from derecognition of financial assets measured at amortised cost

Net loss arising from derecognition of financial assets measured at amortised cost in the Group consists of funds received and write-off from the sale of delinquent debt in the loan portfolio. For the reporting period, these amounts totalled € 0.9 million, reflecting a 10% decrease compared to € 1.0 million for the same period last year.

The sale and write-off of delinquent loans help the Group to control provisioning expenses that would arise if non-performing loans were not sold.

For the reporting period the net loss arising from derecognition of financial assets represented 11% of operating revenue for the reporting period, and 15% in the previous period.

Impairment losses and write off on financial instruments

Impairment losses on financial instruments for the reporting period were positive, totalling € 0.04 million, compared to a negative € 0.2 million for the same period last year.

Consolidated Statement of Cash Flows

The table below sets out the condensed consolidated statement of cash flows for the three months ending 31 March 2025 and 31 March 2024, in thousands of euros.

(in thousands of euros)

	2025/3M	2024/3M
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit	2,306	1,075
<u>Adjustments or changes for:</u>	1,319	1,064
Interest income	12	(87)
Net impairment loss on loans and advances	(41)	231
Net loss arising from derecognition of financial assets measured at amortised cost	929	1,029
Depreciation and amortisation	64	56
Other adjustments	355	(166)
Total adjustments or changes	3,625	2,139
<u>Changes in:</u>		
Other assets and prepayments	(260)	(165)
Trade and other payables	611	186
Loans and advances to customers	(2,741)	(1,950)
Total changes	(2,389)	(1,930)
NET CASH FROM OPERATING ACTIVITIES	1,236	209
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(13)	(33)
Acquisition of intangible assets	(276)	(252)
NET CASH USED IN INVESTING ACTIVITIES	(288)	(285)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings	3,609	5,992
Repayments of borrowings	(4,689)	(5,786)
Voluntary capital reduction	(189)	(1,000)
NET CASH USED IN FINANCING ACTIVITIES	(1,269)	(793)

	2025/3M	2024/3M
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(322)	(869)
Cash and cash equivalents at beginning of period	2,535	2,398
Cash and cash equivalents at end of period	2,213	1,528

Net cash flows from operating activities during the three months of 2025 were € 1.2 million. For the same period, net cash flows used in investing activities were € 0.3 million. The Group's cash flows used in financing activities amounted to € 1.3 million.

Consolidated Statement of Changes in Equity

The table below presents the condensed consolidated statement of changes in equity for the three months ending 31 March 2025 and 31 December 2024, in thousands of euros.

(in thousands of euros)

	Share capital	Share premium	Merger reserve	Voluntary capital	Unrealized (realized) gain from financial instruments	Retained earnings	Total equity
Balance at 31.12.2024	10	435	(23,952)	27,602	56	7,718	11,869
Total profit and other comprehensive income for the period	-	-	-	-	-	2,306	2,306
Profit for the period	-	-	-	-	-	2,306	2,306
Other comprehensive income	-	-	-	-	-	-	-
Transactions with owners of the Company Contributions and Distributions	-	-	-	(189)	-	-	(189)
Voluntary capital decrease	-	-	-	(189)	-	-	(189)
Balance at 31.03.2025	10	435	(23,952)	27,413	56	10,024	13,986

As of 31 March 2025, the total equity of the Group was € 14.0 million. Total equity including Tier-II capital for the reporting period amounted to €20.5 million.

Definitions

Total volume of transactions – The aggregate value of financial activities conducted within the reporting period, including credit line limit issued, credit line withdrawals, client deposits, direct payments, limit increase trials, loan applications.

EBITDA – EBITDA means for the reporting period prior the calculation date, the consolidated net earnings of the Borrower prepared in accordance with the IFRS before any provision on account of taxation, depreciation and amortization, any interest, commissions, discounts and other fees incurred in respect of any financial debt, or any interest earned on debts.

Cost to income ratio – Operating costs / income.

Equity to assets ratio – Total equity incl. Tier II capital / total assets deducting cash.

Capitalization ratio – Total equity incl. Tier II capital / loans and advances to customers.

Gross loan portfolio – Total amount receivable from customers, including principal and accrued interest, after deduction of deferred income.

Intangible assets – Intangible IT assets (software and developments costs).

Interest and similar income – Income received from customer loan portfolio.

Interest coverage ratio – The ratio of EBITDA to Net Finance Charges.

Net loan portfolio – Gross loan portfolio (including accrued interest) less impairment provisions.

Annualized net interest margin – Annualized net interest income / average gross loan principal (total gross loan principal as of the start and end of each period divided by two).

EBITDA margin – EBITDA divided by revenue.

Provision cost to loan portfolio – provision reserve / gross loan portfolio.

Annualized return on average assets – Annualized profit from continuing operations / average assets (total assets as of the start and end of each period divided by two).

Annualized return on average equity – Annualized profit from continuing operations / average equity (total equity as of the start and end of each period divided by two).

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Please note that certain information and illustrations set forth herein are forward-looking. These statements, including internal expectations, estimates, projections, assumptions and beliefs, and which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, “predict”, “intend”, “will”, “may”, “could”, “would”, “should” and similar expressions intended to identify forward-looking statements. These statements should not be considered as guarantees of future performance. The forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Group’s actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the Group’s lack of revenues and unpredictability of future revenues; results of operations; solvency ratios, financial conditions; the Group’s future capital requirements; capital or liquidity positions or prospects; the Company’s reliance on third parties; the risks associated with rapidly changing legal requirements and technology, risks associated with international operations and changes in general economic, market and business conditions. These changing factors are not exhaustive. The Group operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Esto Group undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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