

4finance Holding S.A.

Société anonyme

**Consolidated
Annual Report for the year
ended 31 December 2025**

**Address: 11 Boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg
RCS Luxembourg: B171.059**

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Rounding and Percentages

Some numerical figures included in these financial statements have been subject to rounding adjustments.

Accordingly, numerical figures shown for the same category presented in different tables may vary slightly, and numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

In these financial statements, certain percentage figures have been included for convenience purposes in comparing changes in financial and other data over time. However, certain percentages may not sum to 100% due to rounding.

Information on the Company

Name of the Company	<i>4finance Holding S.A.</i>
Legal status	<i>Public limited liability company</i>
Number, place and date of registration	<i>B171.059, Luxembourg, Luxembourg, August 27, 2012</i>
Legal and postal address	<i>11 Boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg</i>
Board members and their positions	<i>Kieran Donnelly, Chairman of the Board of Directors, category B director Dragos Cioaca, Category A Director, from 17.07.2025. Kirill Klinberg, Category B Director, from 28.11.2025. Acreon Consulting Group, Category A Director, from 28.11.2025. James Etherington, category B director, till 27.11.2025. Georgiana-Cristina Cioaca, category A director, from 17.07.2025. till 27.11.2025. Fabrice Hablot, category A director, till 17.07.2025. Katalin Agune Kato, category A director, till 30.06.2025.</i>
Reporting period	<i>01.01.2025–31.12.2025</i>
Information on shareholders	<i>4finance Group S.A. 100%</i>
Auditors	<i>PKF Audit & Conseil Sàrl 76, Avenue de la Liberte L-1930 Luxembourg</i>

Consolidated Management Report

4finance Holding S.A. (the "Company"), one of Europe's largest digital consumer lending groups, operating in 12 countries globally, presents its annual report including its audited annual accounts for the twelve month period ended 31 December 2025.

The share capital of the Company as at 31 December 2025 was EUR 35 750 thousand (31 December 2024: EUR 35 750 thousand), divided into 3 575 000 000 ordinary shares (31 December 2024: 3 575 000 000 shares) with nominal value of EUR 0.01 each (31 December 2024: EUR 0.01), fully paid via contribution-in-kind.

The Company is rated B2 (stable outlook) by Moody's and B (stable outlook) by Fitch.

Important events in 2025 and future developments

The Company and its subsidiaries (collectively, "the Group") had a strong overall performance in 2025, with good customer demand and repayment dynamics and fundamental asset quality metrics that were stable across the business. TBI Financial Services delivered record growth, both on its loan book and in profitability.

Loan issuance volume from online continuing operations was €513.5 million during the period, decreasing 9% year-on-year, reflecting a focus on unit economics and profitability rather than volume growth.

TBI Financial Services loan issuance increased by 24% to €1 449.2 million year-on-year, compared to €1 168.2 million in 2024.

The cost to income ratio for continuing operations for the period improved to 46.4% vs 48.2% in the prior year. Cost discipline and operational efficiency remain a focus in the business.

Significant acquisitions and disposals

In April 2025, 4finance Holding S.A. purchased 100% shares of Vivus.bg EOOD (Bulgaria) from TBI Bank EAD.

In April 2025, the Company entered into a definitive agreement for the sale of TBI Bank EAD via its subsidiary TBI Financial Services B.V. to Advent, a leading global private equity investor. The transaction successfully completed on 27 February 2026.

In June 2025, the Group established a new entity in Uzbekistan (Paylater Finance LLC), and in December 2025 acquired an entity in South Africa (Spring Loans Pty Ltd). Both entities are fully owned by the Company and support its growth initiatives.

Changes in Management

In July 2025, Dragos Cioaca and Georgiana Cioaca were appointed as Category A directors of 4finance Holding S.A., replacing the previous Category A directors.

In October 2025, Yevgeniy Sadov and Léon Vechar were appointed as Category A directors of 4finance S.A., replacing the previous Category A directors.

In November 2025, Kirill Klinberg was appointed as a Category B director and Acreon Consulting Group as a Category A director of 4finance Holding S.A., replacing James Etherington and Georgiana Cioaca, respectively.

In December 2025, Kirill Klinberg was appointed as a Category B director of 4finance S.A., replacing James Etherington.

In December 2025, Nicholas Philpott was appointed Group CFO, effective 10 January 2026, replacing James Etherington.

Consolidated Management Report

Financing

The Group continues to assess alternatives regarding its October 2026 bond maturity and will communicate its plans in due course.

In February 2025, the Group re-sold €2.0 million notional of its EUR 2026 bonds, and in December 2025, re-sold a further €2.0 million, all of which were held in treasury, at market prices above par. At the end of 2025, the Group held €36 million of its EUR 2026 bonds and €4.3 million of its EUR 2028 bonds in treasury.

In December 2025, the Group's subsidiary SIA Credit Solutions was added to the list of guarantors for its EUR 2026 and EUR 2028 bonds.

Dividend

No dividends were paid by the Company in 2025.

Regulatory changes

On 27 November 2024 the Swedish parliament adopted a bill concerning strengthening consumer protection against risky lending and over-indebtedness. As a result, starting from 1 March 2025, the nominal interest rate cap for consumer loans in Sweden is reduced from 40 to 20 percentage points above the reference rate.

On 21 May 2025 the Swedish Parliament adopted a bill requiring companies with a Consumer Credit Operations Act license to reapply for a license as either a bank or a credit market company. The new regulatory framework entered into force on 1 July 2025. Under the bill, companies with a Consumer Credit Operations Act license have until the end of July 2026 to apply for a new license. Companies that submit a license application by that date may continue lending operations until their application is examined.

The EU's revised Consumer Credit Directive (CCD2) came into effect in December 2023, requiring the Member States to comply with the Directive within two years. This has prompted the drafting of a range of proposed changes in consumer credit regulation across our EU markets.

Through our membership of local industry associations, we contribute to the debate and monitor the development of plans to implement the Directive locally, as we make the case for responsible consumer credit supported by sound regulation.

In Lithuania the Parliament has passed amendments to the Law on Consumer Credit, reducing the interest rate cap from 75% to 40%, applicable starting from 20 November 2026. The Group is assessing the potential impact of this change. Under discussion are moves to introduce central bank regulation of the Spanish non-bank lending market and the introduction of rate caps in the Czech Republic and Spain, bringing them into line with other EU markets. In Latvia, the Parliament has already adopted, in the second reading, amendments to the Consumer Rights Protection Law implementing CCD2. However, the arrival of the CCD2 is not expected to have significant impact as Latvia has for many years been a highly regulated market.

A broad range of regulatory changes are being discussed, which include caps on fees, increased training requirements, new rules concerning the sale of value-added services, more detailed creditworthiness assessments, and advertising restrictions. The details of the regulations are subject to change.

4finance Group has a long history of adapting to both changes in both customer needs and in regulation. While the nature and timing of the changes are not yet clear, the business has developed plans to adapt our products and processes as necessary.

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Consolidated Management Report

In Philippines, the Securities and Exchange Commission is revising the effective interest rate (EIR) from 15% to 12% starting from 1 April 2026. The change affects general-purpose loans up to ten thousand pesos and durations of up to four months offered by financing and lending companies.

Future developments

Going into 2026 the Group intends to:

- Grow and optimise its core online markets to retain profitability in the online business
- Pilot and develop new products for core markets
- Continue its deliberate step-by-step approach to geographic expansion, both directly and by providing development funding
- Use the proceeds from sale of TBI bank.

Review and development of the Group's business and financial position

Interest income from continuing operations for the twelve months ended 31 December 2025 amounted to EUR 181 921 thousand, compared with EUR 196 717 thousand in 2024, which represents a decrease of 8%.

The outstanding balance of net loans from continuing operations amounted to EUR 150 648 thousand as at 31 December 2025, reflecting an 8% increase compared with EUR 139 051 thousand as at 31 December 2024.

The increase is primarily attributable to the expansion of the Lithuanian loan portfolio, including the TBI Financial Services funded online lending portfolio, which was reclassified as part of continuing operations as at year-end 2025.

Operating costs decreased by 14% year-on-year. The decrease in continuing operations costs reflects the ongoing focus on efficiency.

Foreign exchange movements resulted in a net loss of EUR 2 124 thousand for the year 2025 mainly from hedging and swap costs in PLN, CZK and PHP against EUR. In the prior year, there was a net foreign exchange loss of EUR 1 111 thousand.

Net impairment charges for continuing operations were EUR 78 249 thousand, down from EUR 94 396 thousand for the twelve months ended 31 December 2024.

Gross impairment charges decreased vs twelve months ended 31 December 2024 due to better asset quality at product level across the business with changes in impairment charges and cost of risk mainly due to changing portfolio mix.

The Group's profit before tax from continuing operations for the period ended 31 December 2025 amounted to EUR 11 528 thousand, a significant increase from EUR 4 672 thousand profit reported for the twelve months ended 31 December 2024.

Principal risks and uncertainties

4finance applies Group-level policies for overall risk management, and there are Group policies covering specific areas such as credit risk, liquidity risk, market risks, operational risks and capital management risks.

A more detailed description of risk management is available in Note (4) Risk management of these Financial Statements.

Consolidated Management Report

Corporate Governance

Regulatory compliance is a vital part of the Group's operations and is taken very seriously throughout the business. As a responsible lender, the Group plays an active role in industry associations in several of its markets to support development of appropriate regulation.

The Executive Committee works with the senior leaders across the Group to promote and foster a corporate culture of the highest ethical standards, internal controls and legal compliance.

Ownership

The Group's significant ultimate beneficial owner was unchanged during the year, i.e. Edgars Dupats with 29.4971% as of period end, with all other shareholders holding less than 10%.

Important events after the balance sheet date

Dividend

In March 2026, 4finance Holding SA declared and paid a dividend to its sole shareholder and parent 4finance Group S.A. of EUR 26.0 million in respect of the 2024 financial year.


Disposals

On 27 February 2026, the sale of TBI Bank EAD was completed, after obtaining the necessary regulatory approvals. Financial effect can be seen in Note 14.

In March 2026, 4finance AB, an entity in Sweden being wound down, was sold to 4finance Group S.A. and correspondingly released from being a guarantor of the group's bonds.

Financing

In April 2026, 4finance S.A. announced the early redemption of its EUR 2026 notes in full.

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Kirill Klinberg

Category B director of the Board of Directors

24 April 2026

Consolidated Statement of Comprehensive Income

	Note	2025 EUR'000	2024 EUR'000 Restated
Continuing operations			
Interest income	6	181 921	196 717
Interest expense	7	(30 096)	(29 551)
Non-recurring finance income		45	12
Net interest income		151 870	167 179
Other operating income	8	19 137	24 159
Non-interest income		19 137	24 159
Operating income		171 007	191 338
Operating costs	9	(79 282)	(92 173)
Other income		617	592
Non-recurring income/(expense)	10	(441)	422
Net foreign currency loss	11	(2 124)	(1 111)
Pre-provision operating profit		89 777	99 068
Net impairment losses	12	(78 249)	(94 396)
Profit before tax		11 528	4 672
Income tax for the reporting period	13	(8 103)	(3 623)
Profit from continuing operations		3 425	1 050
Profit from discontinued operations, net of tax	14	18 836	51 265
Profit for the period		22 261	52 314
<i>Profit attributable to:</i>			
Equity holders of the Group		22 261	52 314
Profit		22 261	52 314
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Net gains on debt instruments at FVOCI		1 583	1 510
Foreign currency translation differences on foreign operations		(2 738)	(701)
Other		(68)	(76)
Other comprehensive income/(loss), net of tax		(1 223)	733
Total comprehensive income for the period		21 038	53 047
<i>Total comprehensive income attributable to:</i>			
Equity holders of the Group		21 038	53 047

The accompanying notes on pages 13 to 93 form an integral part of these consolidated financial statements.

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Kirill Klinberg

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Kirill Klinberg

Category B director of the Board of Directors

24 April 2026

Consolidated Statement of Financial Position

		31.12.2025	31.12.2024
		EUR'000	EUR'000
Assets	Note		
Cash and cash equivalents	15	37 986	294 735
Placements with other banks		-	40 472
Derivatives		94	34
Gross receivables due from customers	16	180 949	1 475 616
Allowance for impairment	16	(30 302)	(159 689)
Net receivables due from customers	16	150 647	1 315 927
Net investments in finance leases	17	-	855
Debt and equity investments	18	17 759	239 047
Loans to related parties, net of impairment	19	60 443	20 683
Loans to other parties, net of impairment	20	785	2 480
Other assets	21	11 056	43 844
Investments in associates and joint ventures	22	0	561
Prepaid expenses		1 556	3 367
Property and equipment	23	3 330	18 146
Intangible assets	24	11 490	39 412
Goodwill	24	10 042	27 419
Tax assets		4 857	10 546
Deferred tax assets	25	10 152	14 879
Assets held for sale	14	2 122 096	-
Total assets		2 442 293	2 072 407
Liabilities			
Loans and borrowings	26	257 451	332 104
Deposits from customers	27	-	1 335 213
Income tax liabilities	13	4 726	11 355
Derivatives		474	296
Other liabilities	28	31 198	98 740
Liabilities directly associated with assets classified as held for sale	14	1 832 707	-
Total liabilities		2 126 556	1 777 709
Share capital	29	35 750	35 750
Retained earnings		311 710	289 517
Reserves	29	(31 723)	(30 568)
Total equity attributable to equity holders of the Company		315 737	294 698
Non-controlling interests		0	0
Total equity		315 737	294 699
Total shareholders equity and liabilities		2 442 293	2 072 407

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Kirill Klinberg

Category B director of the Board of Directors

24 April 2026

Consolidated Statement of Cash Flows

	2025	2024
Note	EUR'000	EUR'000
Cash flows from operating activities		
Profit before tax from continuing operations	11 528	4 672
Profit before tax from discontinued operations	31 704	60 741
Profit before tax	43 232	65 413
Adjustments for:		
Depreciation and amortisation	14 236	11 689
Impairment of goodwill, intangible and fixed assets	41 617	-
Net loss on foreign exchange from borrowings and other monetary items	4 742	(3 543)
Impairment losses on loans	196 922	195 014
Reversal of provision on debt portfolio sales	(6 312)	(13 958)
Write-off and disposal of intangible and property and equipment assets	3 197	1 485
Interest income from non-customers loans	(7 563)	(8 425)
Interest expense on loans and borrowings and deposits from customers	88 031	77 715
Non-recurring finance expense / (income)	-	41
Other non-cash items, including loss/(gain) on disposals	1 185	(233)
Profit before adjustments for the effect of changes to current assets and short-term liabilities	379 287	325 198
Adjustments for:		
Change in financial instruments measured at fair value through profit or loss	2 744	2 200
(Increase) in other assets (including TBI statutory reserve, placements & leases)	(64 927)	(15 957)
Increase in accounts payable to suppliers, contractors and other creditors	22 523	6 351
Operating cash flow before movements in portfolio and deposits	339 627	317 792
Increase in loans due from customers	(518 547)	(457 488)
Proceeds from sale of portfolio	38 133	44 342
Increase in deposits (customer and bank deposits)	223 301	223 751
Deposit interest payments	(48 859)	(43 118)
Gross cash flows from operating activities	33 655	85 279
Corporate income tax (paid), net of refunds received	(28 539)	(21 542)
Net cash flows from operating activities	5 116	63 737
Cash flows from / (used in) investing activities		
Purchase of property and equipment and intangible assets	(23 577)	(20 574)
Net cash from (Purchase) / Sale of financial instruments	(38 167)	(69 674)
Other / related party loans issued	(36 705)	(6 525)
Other / related party loans repaid	2 291	32 703
Interest received on other / related party loans	3 351	7 079
(Acquisition) / Sale of equity investments, net	(4)	-
Disposal of subsidiaries, net of cash disposed	-	8 538
Net cash flows used in investing activities	(92 811)	(48 453)

Consolidated Statement of Cash Flows

	Note	2025 EUR'000	2024 EUR'000
Cash flows from / (used in) financing activities			
Loans received and notes issued		128 047	28 452
Repayment and repurchase of loans and notes		(30 000)	-
Interest payments		(35 466)	(32 996)
FX hedging margin		(4 286)	(2 925)
Payment of lease liabilities		(3 657)	(4 299)
<i>Net cash flows from / (used in) financing activities</i>		54 638	(11 768)
Net (decrease) / increase in cash and cash equivalents		(33 057)	3 516
Cash and cash equivalents at the beginning of the period		137 012	133 503
Effect of exchange rate fluctuations on cash		214	(7)
Reclassified to assets held for sale		(66 183)	-
Cash and cash equivalents at the end of the period	15	37 986	137 012
Minimum statutory reserve	15	-	157 723
Total cash on hand and cash at central banks	15	37 986	294 735

The accompanying notes on pages 13 to 93 form an integral part of these consolidated financial statements.

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Kirill

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Kirill Klinberg

Category B director of the Board of Directors

24 April 2026

4finance Holding S.A. Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Changes in Equity

	Share capital	Reorganiza- tion reserve	Currency translation reserve	Share based payment reserve	Obligatory reserves	Fair value reserve of financial assets at FVOCI	Retained earnings	Total equity attributable to shareholders of the Company	Total equity
Group	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
1 January 2024	35 750	(31 240)	(3 937)	2 085	3 883	(2 125)	237 236	241 652	241 652
Total comprehensive income									
Profit for the reporting period	–	–	–	–	–	–	52 314	52 314	52 314
Other comprehensive income (OCI)	–	–	(701)	–	–	1 510	(76)	733	733
Reclassification of reserves	–	–	–	–	–	(6)	6	–	–
Transactions recorded directly in equity									
Reclassification of share based payment reserve (Note 33)	–	–	–	(37)	–	–	37	–	–
31 December 2024	35 750	(31 240)	(4 638)	2 048	3 883	(621)	289 517	294 699	294 699
1 January 2025	35 750	(31 240)	(4 638)	2 048	3 883	(621)	289 517	294 699	294 699
Total comprehensive income									
Profit for the reporting period	–	–	–	–	–	–	22 261	22 261	22 261
Other comprehensive income (OCI)	–	–	(2 738)	–	–	1 583	(68)	(1 223)	(1 223)
31 December 2025	35 750	(31 240)	(7 376)	2 048	3 883	962	311 710	315 737	315 737

The accompanying notes on pages 13 to 93 form an integral part of these consolidated financial statements.

DocuSigned by:

Kirill

Kirill Klimberg

Category B director of the Board of Directors

24 April 2026

Notes to the Consolidated Financial Statements

(1) Reporting entity

4finance Holding S.A. (the "Company") is incorporated and registered in Luxembourg. The Company is the holding company for several subsidiaries in Europe, Asia and North America (together referred to as the "Group"). The Group entities have provided loans to millions of customers. The Group's headquarters are located in Riga (Latvia) and Luxembourg. Currently, the Group operates in Bulgaria, Czech Republic, Latvia, Lithuania, Georgia, Spain, Sweden, Philippines, Mexico and the United Kingdom.

The Group held banking subsidiaries in Bulgaria, Romania and Greece (together referred to as the "TBI Financial Services"), which focused on banking and retail lending servicing individuals and small to medium-sized enterprises. In 2024 TBI Financial Services also included online business in Bulgaria, which was transferred to 4finance Holding S.A. in March 2025. As at 31 December 2025, the results of TBI Bank EAD have been classified as discontinued operations for both the 2025 financial year and the comparative 2024 period, and its assets and liabilities have been classified as held for sale, reflecting the completion of the bank's sale on 27 February 2026.

The Group companies, excluding TBI Financial Services, together are referred to as "4finance Group". Details of 4finance Group and TBI Financial Services are disclosed separately in these financial statements where appropriate, in-line with how the management of the Group analyses information.

The Group financial statements form part of the parent company, 4finance Group S.A. (the "Parent"), consolidated financial statements. The consolidated financial statements of the parent company, 4finance Group S.A., are available upon request at 11 Boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg.

(2) Basis of preparation

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (further "IFRS").

These consolidated financial statements were approved by the Company's Board of Directors on 24 April 2026. The shareholders have the power to reject the financial statements prepared and presented by the Board of Directors, and the right to request that new financial statements be prepared.

The Company prepares separate financial statements for statutory purposes in accordance with the relevant Luxembourg legislation.

(b) Basis of Measurement

After considering the operating environment and uncertainties in the Group's various countries, management believes the going concern basis of accounting to be appropriate for these financial statements.

The financial statements have been prepared on a going concern basis as the directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future. Forecasting and stress testing have been performed with various assumptions modelled for a range of scenarios. The stress testing covered credit losses and the level of originations. The directors are of the opinion that the Group continues to be a going concern under both the base and stressed scenario.

Notes to the Consolidated Financial Statements

(2) Basis of preparation (continued)

The financial statements have been prepared on an historical cost basis, except for the following: debt and equity instruments and financial assets and liabilities measured at fair value through profit or loss or other comprehensive income (including derivative instruments). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

(c) Functional and presentation currency

The consolidated financial statements are presented in thousands of Euro (EUR), unless stated otherwise. EUR is chosen as the presentation currency since most of the Group's operational activities are based in the European Union. Group companies operate in the functional currencies of Euro (EUR), United States Dollar (USD), Swedish Krona (SEK), Czech Koruna (CZK), Bulgarian Lev (BGN), Georgian Lari (GEL), Romanian New Lev (RON), Philippine Peso (PHP), British Pound Sterling (GBP), Gibraltar Pound (GIP), Singapore Dollar (SGD), Turkish Lira (TRY), Mexican Peso (MXN), Kazakhstani Tenge (KZT), Uzbekistan Som (UZS), South African Rand (ZAR) and Indian Rupee (INR). The Company's functional currency is EUR.

(3) Material accounting policy information

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except for the new standards and pronouncements of the International Accounting Standards Board which are applied when they become effective (see also xxvii).

(i) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are those enterprises controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains/losses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises as the difference between consideration transferred and the fair value of identifiable net assets acquired is tested annually for impairment. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

(iv) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative periods.

(v) Non-current assets held for sale and disposal groups

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. Such classification is applied when the asset (or disposal group) is available for immediate sale in its present condition and when the sale is highly probable. Management must be committed to a plan to sell the asset and the sale is expected to be completed within 12 months of the date of classification.

Immediately prior to classification as held for sale, the carrying amounts of the assets (and liabilities) are measured in accordance with the Group's applicable accounting policies.

Upon classification as held for sale, non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Any resulting impairment loss is recognised in the statement of comprehensive income. Subsequent increases in fair value less costs to sell are recognised to the extent that they reverse previously recognised impairment losses. Any impairment loss recognised on a disposal group is allocated first to goodwill, if any, and then to the remaining assets included in the disposal group on a pro-rata basis, in line with the Group's impairment policy.

Non-current assets classified as held for sale are not depreciated or amortised.

Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the statement of financial position.

A disposal group comprises a group of assets to be disposed of, together with directly associated liabilities, in a single transaction. Disposal groups classified as held for sale are accounted for on the same basis as individual non-current assets held for sale and are re-measured at each reporting date.

If the criteria for classification as held for sale are no longer met, the asset (or disposal group) is reclassified and measured at the lower of:

- the carrying amount immediately prior to classification as held for sale, adjusted for depreciation or amortisation that would have been recognised had the asset not been classified as held for sale; and
- the recoverable amount at the date of reclassification.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

(iii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary and/or associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the associates.

Goodwill is allocated to cash-generating units and is stated at cost less accumulated impairment losses.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Any impairment expense is recognised immediately as an expense and is not subsequently reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Negative goodwill arising on an acquisition is recognised immediately in profit or loss.

(iv) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation at the exchange rate published by the Central Bank of the country of operation or the European Central Bank or Bloomberg for euro zone countries at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in the statement of comprehensive income.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into EUR using the following exchange rates:

	31 December 2025		31 December 2024
SEK	0.09241	SEK	0.08727
PLN	0.23691	PLN	0.23392
GBP	1.14600	GBP	1.20601
CZK	0.04126	CZK	0.03971
GEL	0.31595	GEL	0.34238
BGN	0.51130	BGN	0.51130
GIP	1.14600	GIP	1.20601
USD	0.85106	USD	0.96256
RON	0.19620	RON	0.20103
ARS	0.00058	ARS	0.00094
MXN	0.04735	MXN	0.04640
PHP	0.01444	PHP	0.01658
SGD	0.66203	SGD	0.70602
DKK	-	DKK	0.13409
KZT	0.00169	KZT	-
UZS	0.00007	UZS	-
ZAR	0.05143	ZAR	-

The Bulgarian Lev is pegged to the Euro.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into EUR, the Group's presentation currency, exchange rates used at the reporting date are set by the Central Bank of the country of operation or the European Central Bank or given by Bloomberg for euro zone countries, exchange rates at the reporting dates are specified in the table above. The income and expenses of foreign operations are translated into the Company's functional currency at exchange rates at the transaction date. Foreign currency translation differences are recognized in other comprehensive income.

Foreign exchange gains or losses arising from a monetary item receivable from, or payable to, a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognised directly in the foreign currency translation reserve.

(iv) Share-based payment transactions

The Parent of the Group operates an equity-settled, share-based compensation plan, under which both the Parent and the Group receive services from employees as consideration for equity instruments (options) of the Parent. There are no new share options granted in the year ended 31 December 2025. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options at the grant date.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

The grant by the Parent of options over its equity instruments to the employees of the Group is treated as an equity contribution presented in Equity position Share based payment reserve.

(v) Cash and cash equivalents

Group cash and cash equivalents comprise of call deposits in banks that are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

For the purposes of the cash flow statement TBI Financial Services' cash and cash equivalents comprise cash on hand, cash held with central banks, cash in nostro accounts held with other banks, as well as term deposits with banks with original maturity of less than three months.

(vi) Financial Instruments

(i) Recognition

Financial assets and liabilities are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All regular purchases of financial assets are accounted for at the settlement date.

(ii) Classification and Measurement

A financial asset or liability is initially measured at its fair value plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

The Group's assessment on particular asset classification is based on the Group's business model on how a particular asset is managed and based on contractual cash flow characteristics of that asset. At initial recognition the Group, as prescribed by IFRS 9, distributes all financial assets into 3 measurement categories:

- Amortised cost (AC) - The amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance
- Fair value through other comprehensive income (FVOCI) - Financial asset measured at fair value with unrealized changes in fair value recognized in other comprehensive income
- Fair value through profit or loss (FVTPL) - Financial asset measured at fair value with realized and unrealized changes in fair value recognized in profit or loss.

Purchased or originated credit-impaired financial assets require special AC measurement treatment. For third party purchased credit-impaired financial assets AC measurement, a credit adjusted effective interest rate (EIR) is applied, meaning that projected future cash-flows need to include expected cash losses compared to contractual cash flow amounts.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

Subsequent to initial recognition, financial assets, including derivatives that are assets, are measured at their fair values, without any deduction for transaction costs that may be incurred on sale or other disposal, except for loans and receivables that are measured at amortised cost using the effective interest method.

All financial liabilities, other than those designated at fair value through profit or loss, are measured at amortised cost. Amortised cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(iii) Business model assessment

The Group's financial assets are managed together to fulfil the business objectives set by the Group's management team and financial assets are divided into following business models:

- Held to collect - Financial assets are managed to realize cash flows by collecting payments of principal and interest over life of the instrument. Asset sales are very rare or insignificant relative to the size of portfolio
- Held to collect and sell - Objectives under this model are achieved by both collecting contractual cash flows and selling of financial assets
- Other - Portfolios of financial assets that are managed with the objective of realizing cash flow through sales whose performance is evaluated on fair value basis or are held-for-trading.

(iv) Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

A financial asset is classified as measured at amortised cost when it meets SPPI criteria and is managed under held to collect business model, or FVOCI when SPPI criteria is met and business model is held to collect and sell unless designated as at FVTPL. The SPPI test requires consideration whether the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payment of principal and interest:

- Principal - is the fair value of the financial asset at initial recognition, that may change over time due to periodic repayments
- Interest - is consideration for:
 - the time value of money
 - the credit risk associated with the principal amount outstanding during a particular period of time
 - consideration for basic lending risks and costs
 - a profit margin.

All of the Group's lending products are tested and meet the SPPI criterion. SPPI tests are mandatory and are performed during new product development or modification of current product features.

(v) Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or when the Group transfers substantially all of the risks and rewards of ownership of the financial asset. Any rights or obligations created or retained in the transfer are recognized separately as assets or liabilities. A financial liability is derecognised when it is extinguished.

The Group also derecognises certain assets when it writes off balances pertaining to the assets deemed to be uncollectible.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

Financial asset or liability contract modifications may result in derecognition, that is assessed according to qualitative and quantitative derecognition criteria. If derecognition criteria is met modified financial asset or liability is derecognised and a new modified financial asset is recognised.

(vi) Modification of financial assets and liabilities

Any modification to financial contract that is measured at amortised cost needs to be either derecognised or appropriately measured if modification is considered as non-substantial. Both qualitative and quantitative factors are considered in order to assess if the modification is substantial or not.

For modifications that do not result in derecognition, the gross carrying amount of the asset is recalculated by discounting the modified contractual cash flows using original EIR that was effective before modification. Any difference between initial gross carrying amount and recalculated gross carrying amount is recognized in the profit or loss as modification gain or loss. Any costs, fees or commissions are part of the modification and also adjust carrying amount of the modified financial contract.

Qualitative factors

Following qualitative factors indicate that modification is substantial indicating that financial asset needs to be derecognised:

- Currency conversion - Substantial modification is identified when the currency of the contract is changed and the change was not stipulated in the original contract. If the currency change is required by law, e.g. due to conversion to EUR, it is not treated as modification.
- Change of counterparty - Substantial modification is identified if a separate agreement with the new counterparty is signed (associated with new credit risk assessment process). If the counterparty change is recorded solely due to legal reasons and within the rules agreed in the contract (e.g. due to death of borrower, re-assignment to co-borrower), it is not a case qualifying for derecognition.
- Change of product type - Substantial modification is identified when the product type is changed to the different one (e.g. revolving product changed to instalment product).
- Consolidation of debt - Substantial modification is identified when several loans are consolidated under one contract.
- Breach of SPPI test - Substantial modification is identified when the change of contractual terms results in breach of the SPPI test. After SPPI test breach is identified a financial asset is derecognised and a new financial asset is recognised and is measured at FVTPL.

Quantitative factors

Financial asset or liability is subject to derecognition if there is a substantial difference between present value of future cash flows before and after modification. For financial assets and liabilities any changes in present value of +/- 10% are considered as substantial.

(vii) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

Where applicable, the Group measures the fair value of an instrument using a quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Where there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The key financial instruments of the Company and the Group are cash, trade receivables, loans to customers, loans to related parties, equity investments, bonds issued, trade payables, deposits from customers and other creditors arising from the business activities.

(viii) Derivative financial instruments

Derivative financial instruments include interest rate and foreign exchange swaps or options and forward instruments. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Changes in the fair value of derivatives are recognised immediately in the statement of comprehensive income.

The Group is engaged in hedging activities of its foreign exchange risk. The Group does not apply hedge accounting. Given the low level of trading activity, the Group has estimated that any valuation adjustments are not material and has therefore not incorporated these into the fair value of derivatives.

(ix) Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. All Group loans are managed under "held to collect" business model with contractual cash-flows representing solely payments of principal and interest.

For the purposes of these consolidated financial statements, trade receivables and loans to customers are measured at amortised cost using the effective interest rate method. An impairment loss allowance for the expected credit losses is established. The Group's policy is described in Note 3 (xv) and Note 5.

(x) Debt and equity instruments

Debt and equity instruments are those that are to be held over an indefinite period of time and that may be disposed of in response to liquidity needs or changes in interest rates, exchange rates or prices of securities.

Purchases and sales of financial assets are recognised on the settlement date - the date when the Group has transferred or received the asset.

Debt and equity instruments follow classification and measurements requirements as prescribed in Note 3 (vi).

(xi) Investment in associates and joint ventures

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of the associated entity unless there is evidence to suggest otherwise.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Interests in associates and joint ventures are accounted for using the equity method. Under IAS 28 they are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.

When the Group's share of losses equals or exceeds the Group's interest in the associate, that interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

(xii) Property and equipment

(i) Owned assets

Items of property and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

(ii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use. Land is not depreciated.

The estimated useful lives are as follows:

Buildings	25 years
Computer equipment	up to 3 years
Leasehold improvements	up to 5 years
Other property and equipment	up to 5 years
Motor vehicles	4-10 years

(xiii) Intangible assets

The Group has a detailed intangible assets ('IA') capitalisation policy covering accounting for development projects. The Group incurs costs for development of computer software and similar items, which may be capitalized. Capitalized expenditure can be either external (for example, IT subcontractors) or generated internally within the entity (for example, employees developing IT software).

Only those assets are capitalised that are separately identifiable, for which the entity has control, and for which probable future economic benefits shall be recognized. No intangible asset costs arising from the research phase of a project are capitalized. Expenditure on research is expensed when incurred.

Amortisation commences once the item is in the location and conditions necessary for it to be capable of operating in the manner intended by management and has been accepted by the business owner.

Intangible assets, other than goodwill, are stated at cost less accumulated amortization and impairment losses. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Amortization is charged to the income statement in operating costs line on a straight-line basis over the estimated useful lives of intangible assets.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

The estimated useful lives are as follows:

Licenses, trademarks and similar rights	up to 5 years
Software and other intangible assets	up to 5 years

(xiv) Repossessed assets

TBI Financial Services repossesses certain assets serving as collateral for non-performing loans. These assets are not held for capital appreciation or rental income, but are expected to be sold in the ordinary course of business, and therefore are classified as inventories. Inventories mainly consist of real estate such as land, buildings purchased and held-for-sale in the future. Inventories are accounted at cost. The cost of inventories comprises all purchase costs, costs of conversion and other costs incurred in bringing the inventories to their present condition. Inventories are held at the lower of purchase cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The amount of write-down of inventories to net realizable value is recognized as expense in the period the write-down occurs. When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

(xv) Impairment

(i) Financial assets

4finance Group

At each reporting date, the 4finance Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss and not available for sales financial assets are impaired. The expected credit loss (ECL) model under IFRS 9 accelerates the recognition of impairment losses and leads to higher impairment allowances at the date of initial application. The expected credit loss is calculated as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD).

Loan portfolio is grouped into Stage 1, Stage 2 and Stage 3, based on the applied impairment methodology, as described below:

- Stage 1 - Performing loans: part of loan portfolio where no significant increase in credit risk has occurred (delay days equal or less than 30 days), 4finance Group recognizes an allowance based on twelve months expected credit losses.
- Stage 2 - Loans with significant increase in credit risk (delay days over 30 days but equal to or less than 90 days): when a loan shows a significant increase in credit risk since initial recognition, 4finance Group records an allowance for the lifetime expected credit loss.
- Stage 3 - Defaulted loans: Financial assets are recognized in Stage 3 when there is objective evidence that the loan is impaired (delay days over 90 days). 4finance Group recognizes the lifetime expected credit losses for these loans and in addition, the Group accrues interest income on the amortised cost of the loan net of allowances, when it's probable it will be received.

For entities in Philippines loans are in Stage 1 till 30 days past due (including) after which the loans default and are written off.

The 4finance Group for LGD calculation uses recovery rates that are based on discounted historic cash-flows from defaulted loans.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

The amount of the expected credit losses is measured as the difference between all contractual cash flows that are due in accordance with the underlying contract and all the cash flows that are expected to be received (including all cash shortfalls), discounted at the original effective interest rate (EIR).

The carrying amount of the asset is reduced through the use of an allowance account and recognition of the loss in Statement of Comprehensive Income. The write-off period for past due loans is more than 360 days except for entities in Philippines where the write-off period for past due loans is more than 30 days. Allowances for credit losses on loans and receivables are assessed collectively. Collectively assessed impairment allowances cover credit losses inherent in portfolios of loans and advances with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified.

In assessing collective impairment, the 4finance Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of expected loss, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. Specific individual impairment testing is not undertaken since the loan portfolio consists of a large number of small exposure loans that would make individual impairment testing impractical.

The 4finance Group uses forward looking information to enhance ECL models. The Group incorporated forward looking information into its provisioning model, and currently forward-looking information is used and is updated regularly. The Group once a year makes a new assessment to define products where the probability of default is sensitive to macro-economic indices changes and calculate coefficients using linear regression for selected products to use them in the model for a one year period till next review; once per quarter there is a review and update of forecasted macro variables values and the macro effect is recalculated based on recent macro-economic data outlook by using fixed regression coefficients.

For the assessment of expected credit loss for loans to entities (e.g., related parties or 3rd parties), historic default rates produced by a ratings agency are used.

Impairment losses on portfolios of assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated discounted future cash flows. Impairment losses are recognized in the statement of comprehensive income and reflected in an allowance account against loans and advances. Interest on impaired assets is recognized indirectly through a change in net impairment allowance when repayments are received from impaired loans. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

TBI Financial Services

Receivables due from customers

TBI Financial Services recognizes expected credit losses (ECL) for all receivables that are not carried at FVTPL. ECL are based on the difference between the contractual cash flows due under the terms of the contract and all cash flows that TBI Financial Services expects to receive discounted at the original effective interest rate. Expected cash flows include cash flows from the sale of the collateral provided or other credit enhancements that form an integral part of the contract terms.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next twelve months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Cash, cash equivalents and debt instruments

For amounts due from banks and debt instruments at fair value through other comprehensive income, the Group applies impairment based on the counterparty's credit rating.

At each reporting date, TBI Financial Services determines whether a debt instrument is considered as a low credit risk using all reasonable and reasoned information that is available without undue cost or effort. In this assessment, TBI Financial Services reviews the credit rating of the debt instrument. In addition, TBI Financial Services assesses whether there is a significant increase in credit risk where the contractual payments are past due over 30 days.

TBI Financial Services' debt instruments in other comprehensive income include only quoted bonds. The policy of TBI Financial Services is to evaluate the ECL for these instruments on a 12-month basis. However, when there is a significant increase in the credit risk after the occurrence, the provision is based on the ECL for the entire duration of the instrument. TBI Financial Services uses the ratings to determine whether the credit risk of the debt instrument is significantly increased, as well as to assess the ECL.

Definition of default

TBI Financial Services considers a financial instrument as defaulted when the contractual payments are overdue more than 90 days. In certain cases, however, a financial asset might be considered as defaulted when internal or external information indicates that it is unlikely that TBI Financial Services will receive all outstanding contractual cash-flows without taking any debt collection actions.

Write-off policy

TBI Financial Services removes its risk exposures from the balance sheet depending on the type of the receivable, the number of days in delay of payments and the collateral value ratio.

Loan exposures in Business Banking secured lending segment shall be written-off from the balance sheet of the Bank, with a decision of the Committee for Classification and Impairment of Financial Assets, based on concrete grounded proposal of Business Banking Collection and Inventory Management.

Loan exposures in unsecured lending must be automatically written-off from the balance sheet on a loan level, when the exposures reach 540 days in overdue. The exposures originated from foreign legal entities, part from 4finance Group, and 100% impaired are written off after 360 days.

Whenever TBI Financial Services determines that certain portion of an exposure in Stage 3 is irrecoverable, it may apply a partial write-down at any time before the automatic trigger for full write-off is applied.

Modified financial assets

In certain circumstances, the renegotiation or modification of the contractual cash flows of a financial asset may result in derecognition of the existing financial asset. Accordingly, the date of the modification is the date of initial recognition of the financial asset when the impairment requirements are applied to the modified financial asset.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

If the contractual cash flows of a financial asset are renegotiated or otherwise modified but the financial asset is not derecognised, it cannot automatically be considered that the financial asset has a lower credit risk. TBI Financial Services assesses whether there has been a significant increase in credit risk after initial recognition based on reasonable information available without incurring unnecessary expense or effort. This includes both past and future period information as well as credit risk assessment for the expected life of the financial asset, incl. information on the circumstances that led to the modification. Evidence that the criteria for recognizing the expected credit losses for the entire duration of the instrument are no longer met may include current and timely data on the fulfilment of the payment obligation under the modified contractual terms.

If there is objective evidence that impairment loss exists for loans and receivables, the loss is calculated as the difference between the carrying amount of the asset and the present value of the estimated cash flows (except future losses that are not accumulated), discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is written down using an allowance account and the impairment loss is recognised in the profit or loss account.

If a loan bears a floating interest rate, the discount rate used to determine the impairment loss is the current effective interest rate set out in the agreement.

The calculation of the present value of the expected future cash flows of secured financial assets takes into account the cash flows which may be received upon disposal of collateral, less costs of acquisition or costs to sell.

When consumer loans are extended to individuals, TBI Financial Services accrues collective impairment which reflects the expectations of management regarding the future cash flows from the consumer portfolio. When applying collective impairment, the loan portfolio is assessed on a portfolio basis, taking into account the homogeneous nature of the exposure's risk profile. Impairment is based on contractual cash flows and historical experience regarding the losses of assets with similar characteristics of credit risk, adjusted for any data to reflect any current conditions that were not present in the periods of historical information.

Future cash flows for a group of financial assets that are collectively reviewed for impairment are determined based on the contractual cash flows related to the assets and the historical loss experience on credit risk bearing assets similar to those at TBI Financial Services. The loss assessed, based on historical experience, is adjusted based on current data, in order to reflect the influence of the present conditions which did not impact the period in which the loss assessment was made, as well as to eliminate the effect of conditions in the historical period, which no longer exist.

If in a subsequent period the impairment loss decreases and this decrease may be objectively attributed to an event occurring after the recognition of the loss (i.e. improvement of the credit rating of the debtor), the impairment loss already recognised is reversed through the allowance account. The amount of the adjustment is recognised in the statement of comprehensive income.

Renegotiated loans

Loans which are subject to collective impairment review, or which are individually significant and their terms have been renegotiated, are considered performing as of the time of the renegotiation. In subsequent periods the asset is considered in default and is disclosed as such only if the new terms and conditions have been breached.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income in Non-recurring expense line. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(xvi) Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(xvii) Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

(xviii) Share Capital and reserves

(i) Currency revaluation reserve

The currency revaluation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations into the presentation currency.

(ii) Obligatory reserves

Under Luxembourg corporate law, the Company must allocate at least 5% of the statutory annual net profit, based on the stand-alone financial statements, to a legal reserve until this reserve reaches 10% of the issued share capital. The legal reserve is not available for dividend distributions.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

Under Lithuanian law, an annual allocation to the legal reserve must be made of at least 5% of net profit until the reserve comprises 10% of the share capital. The reserve cannot be distributed, but rather only be used to cover losses.

Under Bulgarian law in accordance with the requirements of the Commercial Act, TBI Financial Services is required to provide into a reserve fund equaling at least 1/10 of profit, until the fund reaches 1/10 or more of the share capital. If the amount in the reserve fund falls below the minimum, it is obliged to fill the gap so as to recover the minimum level over a period of two years. Under the provisions of the banking legislation, banks are not allowed to pay dividends before they make the required contributions.

(iii) Reorganization Reserve

The reorganization reserve relates to a number of legal reorganizations. The entity accounted for these reorganizations as common control transactions using net asset values. This reserve arises on consolidation and is not distributable to shareholders.

(iv) Share-based payment reserves

The Group is part of wider group share-based payment arrangements where settlement for the services received is performed by the parent company. The Group accounts for such transactions as share-based payment transactions and recognizes expenses for services received, unless the services received qualify for recognition as an asset, and an increase in its equity for the contribution received from the parent.

(v) Fair value reserve of financial assets at FVOCI

The reserve includes changes in fair value of financial instrument classified and measured at FVOCI.

(xviii) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

TBI Financial Services as a lessor for operating lease transactions

Leases where TBI Financial Services does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. The leased assets are included in 'Property and equipment'. Initial direct costs incurred in negotiation of operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

TBI Financial Services as a lessor for finance lease transactions

TBI Financial Services lease contracts are classified as finance leases when all material risks and rewards associated with the leased assets are transferred to the lessee. Finance lease receivables are disclosed as Loans to customers in the balance sheet. TBI Financial Services applies its accounting policies for impairment of financial assets when finance lease contracts are impaired.

(xix) Financial guarantee contracts

Financial guarantee contracts are relevant for TBI Financial Services units within the Group. Financial guarantee contracts are contracts that require the issuer to make specified payment to reimburse the holder for a loss the holder incurs because a specified debtor fails to make payments when they fall due in accordance with the terms of the debt instrument. Such financial guarantees are issued to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other bank facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date of issuance of the guarantee. Following initial recognition, the Group's liabilities related to such guarantees are measured at the higher of: (a) the initial measurement less the amortisation calculated to recognise commission income earned on a straight-line basis over the life of the guarantee and (b) the best estimate of the expenditure required to settle any financial obligation arising at the balance sheet date. These estimates are based on experience of similar transactions and history of past losses, supplemented by the judgement of management.

(xx) Dividends

Dividends in relation to ordinary shares are reflected as an appropriation of retained earnings in the period in which they are declared.

(xxi) Fiduciary assets in custody

TBI Financial Services keeps assets on behalf of its customers and in its capacity as an investment intermediary. These assets are not presented in the statement of financial position as they do not represent TBI Financial Services' assets.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

(xxii) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(xxiii) Income and expense recognition

All significant income and expense categories including interest income and expenses are recognized in the statement of comprehensive income on an accrual basis.

(i) Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Revenue is not recognized when there is doubt whether the cost of services will be covered.

(ii) Fee and commission income and expenses

Fees and commissions are recognised as the related services are performed and control over a service is transferred to a customer. Fee and commission income comprises mainly money agent's commissions, transfer fees in Bulgarian Levs and foreign currency, and treasury transactions, and are recognised under the current accruals principle or on the transfer date, as appropriate. Income may be recognised at a point in time or over the time. Over time revenue recognition is proportional to progress towards satisfying a performance obligation by transferring control of promised services to a customer. Income which does not qualify for recognition over time is recognised at a point in time when the service is rendered. The Group has no material receivables and contract liabilities from contracts with customers as non-refundable up-front fees are not charged to customers upon commencement of contracts with customers.

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

(iii) Penalty fee income

Income from penalty fees is recognized as received.

(iv) Other income

Income from Insurance broker activities from TBI Financial Services includes income whereby the bank acts as an agent selling insurance issued from third party companies to the banks' clients. TBI Financial Services does not bear the insurance risk on these transactions. The income is recognized in line with the above paragraph. Income from insurance broker services performed by Group entity in Philippines is presented in other operating income in line with above paragraph.

(xxiv) Staff costs and related contributions

The Group pays social security contributions to state-funded insurance and pension schemes as required by the laws and regulations of the various jurisdictions in which the Group operates. The Group is not party to any defined benefit pension scheme.

(xxv) Operating segments

The Group determines and presents operating segments based on the information that is internally provided to the Group's management board.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the management to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the management include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

(xxvi) Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when the host contract is not itself carried at fair value through profit or loss, the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract, and the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. If the economic characteristics and risks of the embedded derivative are closely related to those of the host contract, then the embedded derivative is not separated and accounted for separately.

(xxvii) Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies set out in Note 3 for all periods presented in these consolidated financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with the date of initial application on 1 January 2025.

(i) New standards, amendments to standards and interpretations which did not have a significant effect to the Group:

- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rate: Lack of Exchangeability

Notes to the Consolidated Financial Statements

(3) Material accounting policy information (continued)

(ii) *Standards in issue but not yet effective which effects are under review:*

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective 1 January 2026)
- IFRS 18 – Presentation and Disclosure (effective 1 January 2027)

(4) Risk management

Key financial and non-financial risks related to the Group's financial instruments and operating activities are:

- Credit risk
- Liquidity risk
- Market risk, including:
 - Interest rate risk
 - Currency risk
 - Price risk
- Operational risk
- Capital management risk
- Regulatory risk.

Management has implemented procedures to control the key risks.

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty/customer fails to meet its contractual obligations and arises primarily from the Group's loans due from customers.

The table below shows the maximum exposure to credit risk for the components of the Statement of Financial Position. Exposures are based on net carrying amounts as reported in the Statement of Financial Position.

The Group's maximum credit exposures are shown gross, i.e. without taking into account any collateral or other credit enhancements.

Notes to the Consolidated Financial Statements**(4) Risk management (continued)**

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Cash and cash equivalents	37 986	294 735
Placements with other banks	-	40 472
Net receivables due from customers	150 648	1 315 927
Corporate clients	-	176 342
Corporate client impairment	-	(3 496)
Individual clients	180 949	1 299 274
Individual client impairment	(30 302)	(156 193)
Net investments in finance leases	-	855
Gross investment in finance leases	-	1 470
Finance lease impairment	-	(615)
Loans to related parties, net of impairment	60 443	20 683
Loans to other parties, net of impairment	785	2 480
Other assets	11 056	43 844
Derivatives	94	34
Debt and equity investments	17 759	239 047
Credit risk exposures related to contingent liabilities and irrevocable commitments are as follows:		
Contingent liabilities*	316 359	207 135
Total maximum exposure to credit risk	<u>595 130</u>	<u>2 165 213</u>

*For more details on contingent liabilities see Note (30) Contingent liabilities and irrevocable commitments

For additional details on loans refer to Note (16) Net receivables due from customers and on finance leases to Note (17) Net investments in finance leases.

4finance Group's Credit Risk Policy defines lending and loan book management guidelines according to its business strategy and efficient risk management, protecting assets as well as complying with local regulatory requirements. Loan credit risk is managed by the relevant local teams, supported by the Group's centralized data analytics, data science and collection teams. Lending rules and scorecards (the 'underwriting process') are implemented for all products, and the customer's risk profile is analyzed prior to a loan being issued. During the underwriting process the Group uses multiple attributes including, but not limited to, customer credit history checks and income levels. The current underwriting process is mainly done automatically based on statistical evidence, with very few areas of manual judgement or input. The underwriting process is adjusted to specific country requirements and characteristics. It is periodically reviewed and, if necessary, rebuilt.

A Debt Collection policy guiding overall collections process throughout the life cycle of the loan is established. Detailed guidelines for specific collections stages are released as well. 4finance Group has implemented country-specific debt collection processes based on the above-mentioned policies and guidelines. All processes comply with local regulations and ensure a smooth collection process. The performance of different customer groups is analyzed on a regular basis by the Debt Collection department.

Notes to the Consolidated Financial Statements

(4) Risk management (continued)

Management believes that current procedures and tools are sufficient to effectively manage the credit risk of different customer groups.

In addition, the structure of the loan portfolio is based on many small value loans, and consequently separate customer exposures cannot individually cause material losses to the 4finance Group.

The calculation methodology for loan impairment is described in Note (5) Use of estimates and judgements. Quantitative information on 4finance Group's credit risk is disclosed in the table below.

Credit quality of loan portfolio (4finance Group):

	Gross receivables 31.12.2025	Allowance for doubtful debts 31.12.2025	Net receivables 31.12.2025	Gross receivables 31.12.2024	Allowance for doubtful debts 31.12.2024	Net receivables 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Stage 1 (no more than 30 days past due)	144 951	(6 001)	138 950	135 484	(7 897)	127 587
Stage 2 (past due from 31 to 90 days)	16 147	(8 899)	7 248	17 464	(10 416)	7 048
Stage 3 (past due more than 90 days)	19 851	(15 401)	4 450	21 576	(17 160)	4 416
	180 949	(30 302)	150 648	174 525	(35 473)	139 051

When reviewing the portfolio and the respective provisions, management concentrates on the quality by ageing buckets as outlined above.

4finance Group's Expected Credit Losses

The following table provides an explanation of how allowance for impairment (for receivables from customers) changed during the period.

	Allowance for impairment Opening balance	Origination and acquisition	Derecognition & repayments	Change in credit risk	Write-offs	Other & FX	Allowance for impairment Closing balance
	01.01.2025						31.12.2025
Stage 1	7 897	9 083	(10 085)	356	(1 450)	200	6 001
Stage 2	10 416	(392)	(8 321)	6 514	-	682	8 899
Stage 3	17 160	873	(4 700)	15 288	(14 353)	1 133	15 401
	35 473						30 302

TBI Financial Services

TBI Financial Services is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Significant changes in the individual counterparty, the economy or in the situation in a particular industry segment could result in losses other than the losses for which impairment loss allowances are identified by TBI Financial Services management as at the balance sheet date. To manage credit risk, TBI Financial Services has developed strict potential borrower analysis and assessment procedures, including scoring procedures and detailed verification of data provided. Loans to corporate clients

Notes to the Consolidated Financial Statements

(4) Risk management (continued)

are mainly secured by collateral. Collateral is valued by obtaining a market value and then further reduced to take into account various risks. They are monitored on a regular basis and the underlying collateral is subject to re-appraisal on an annual basis. For impairment purposes, loans are monitored for Days Past Due ('DPD'), and other impairment triggers. For loans to groups of related party SME's, exposures are assessed collectively. Loans to individuals are not secured. In addition, TBI Financial Services has developed an effective payment monitoring system as well as a procedure for measuring the collection of receivables. Preliminary analysis and subsequent monthly monitoring are in place to detect the concentration of related parties by sectors of the economy and other cross-sections in compliance with TBI Financial Services internal rules.

TBI Financial Services structures the level of credit risk it is exposed to by placing limits on its exposure to one borrower or group of borrowers, geographical region and industry segment. Such risks are monitored regularly and are subject to annual or more frequent review.

TBI Financial Services risk exposures are classified in three groups based on the criteria of credit risk level, Stage 1 (with DPD <31 days), Stage 2 (with DPD<31 days with forbearance measures and exposures with DPD between 31 and 90 DPD), Stage 3 (exposures with DPD>90 and with NPL triggers).

Loans extended to individuals are monitored as per the overdue payments indicator.

The exposure to each borrower, including banks and intermediaries, is further restricted by sub-limits covering on-balance sheet and off-balance sheet exposures, commitments, and daily delivery risks in relation to trading items such as forwards. The actual exposures against the respective limits are monitored on a daily basis.

Credit quality of loan portfolio and finance leases (TBI Financial Services):

	Gross receivables 31.12.2025	Allowance for doubtful debts 31.12.2025	Net receivables 31.12.2025	Gross receivables 31.12.2024	Allowance for doubtful debts 31.12.2024	Net receivables 31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Stage 1 (no more than 30 days past due)	-	-	-	1 140 724	(39 441)	1 101 283
Stage 2 (past due from 31 to 90 days)	-	-	-	46 375	(16 289)	30 086
Stage 3 (past due more than 90 days)	-	-	-	115 388	(69 102)	46 286
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1 302 487</u>	<u>(124 831)</u>	<u>1 177 656</u>

Collateral

TBI Financial Services employs a set of policies and practices to mitigate credit risk. A requirement of the TBI Financial Services to borrowers (other than consumer loans to individuals), is to provide suitable collateral prior to the disbursement of loans approved. The main types of collateral for loans are as follows:

- cash in local and foreign currencies
- mortgages on real estate
- pledges on business assets such as receivables, inventory, plant and equipment
- pledges over financial instruments, and
- guarantees issued in favour of TBI Financial Services.

Notes to the Consolidated Financial Statements

(4) Risk management (continued)

In order to minimise credit loss, TBI Financial Services requires additional collateral from counterparties as soon as impairment indicators are observed. The collateral held as a pledge for financial assets, other than loans and advances, is determined by the nature of the financial instrument.

In view of the specifics of the TBI Financial Services business and the increasing portfolio of small consumer loans, the share of unsecured loans within the TBI Financial Services portfolio is growing. These types of loans are mostly average-term (the median term of the portfolio is approximately 28 months) and have low limits (the average receivable amount is approximately BGN 3.8 thousand / around EUR 2.0 thousand).

Contingent liabilities and irrevocable commitments

Guarantees and letters of credit, which represent an irrevocable commitment by TBI Financial Services to make the respective payment if the customer fails to discharge its liability to a third party, gives rise to the same type of risk as loans. Documentary and commercial letters of credit, that represent written commitments of the TBI Financial Services on behalf of a customer, are secured with cash deposits or other pledges in favour of TBI Financial Services. Consequently, TBI Financial Services is exposed to minimal risk.

Commitments to grant loans represents the unutilised portion of the allowed loan amount, guarantees or letters of credit. TBI Financial Services control the maturity of credit commitments since in most cases long-term commitments bear higher credit risk compared to short-term ones.

For more details on TBI Financial Services contingent liabilities and irrevocable commitments see Note (30) Contingent liabilities and irrevocable commitments.

As at 31 December 2025, the carrying amount of financial assets that would otherwise be past due whose terms have been renegotiated is EUR 5 439 thousand (31 December 2024: EUR 2 283 thousand) net of impairment.

Loans to customers that are not past due

According to its internal rules and policies, TBI Financial Services individually assess all corporate loans in its portfolio and books an impairment allowance if objective evidence for impairment exists. Consumer loans are reviewed for indicators of impairment on a portfolio basis. Credit quality is determined based on an analysis of the number of days past due and the amount overdue.

Loans to customers that are past due

According to internal rules and policies, when a classified exposure is secured by high liquid collateral, the TBI Financial Services assesses individually that corporate loans and calculates a provision for expected credit losses in the presence of objective evidence of impairment. Consumer loans and retail loans are considered to have portfolio impairment indicators, with credit quality being determined on the basis of an analysis of the days past due and the respective scope of the delay.

Non-performing, impaired individually

Non-performing, individually impaired exposures include SME loans which based on the TBI Financial Services policy are tested for impairment on individual basis.

For individually assessed accounts, loans are treated as impaired as soon as objective evidence indicates that an impairment loss will be incurred.

Notes to the Consolidated Financial Statements

(4) Risk management (continued)

(b) Liquidity risk

4finance Group

Liquidity risk is the risk that 4finance Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets when due. The liquidity position is managed by the Treasury department. The 4finance Group manages and controls its liquidity position on a day-to-day, short-, medium- and long-term basis by implementing and following relevant procedures, policies, and processes. The 4finance Group has established the following processes and procedures - 4finance Group cash flow management procedures, 4finance Group bank account management procedures, and an intra-4finance Group financing process. Management believes that the current processes and procedures are sufficient to effectively monitor and manage the liquidity risk of the 4finance Group. 4finance Group's maturity structure of financial assets and liabilities is presented in Note (37) Maturity analysis.

TBI Financial Services

The Management Board of TBI Financial Services assigns the Asset and Liabilities Management Committee as the primary responsible unit to advise the Management Board on liquidity management strategy. The legal requirement for the bank is to maintain a liquidity ratio (LCR) of at least 100%. For more details see Note (37) Maturity analysis.

TBI Financial Services monitor the liquidity of assets and liabilities by type of currency, amount and interest rates on a daily basis. With respect to the large portion of liabilities comprising term deposits from individuals and legal entities, active measures are taken to encourage customers to renew their deposits. Deposits from legal entities are primarily in large amounts and historical experience shows that typically the terms and conditions are re-reviewed and agreed immediately prior to their maturity. For more details see Note (27) Deposits from customers.

(c) Market risk

Market risk is the risk that movements in market prices, including foreign exchange rates, interest rates, credit spreads and equity prices will affect the Group's income or the value of its portfolios. The Group's market risk arises from open positions in interest rate and currency financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that movements in interest rates will affect the Group's income or the value of its portfolios of financial assets. Management believes that for the Group, with the exception of TBI Financial Services, interest rate risk is not material since all loans are issued and received at fixed rates. Interest rate risk for loans to customers arising from short-term-pricing is not considered part of interest rate risk since an immaterial proportion of the interest rates charged relate directly to interest rate variance risk. The large majority of 4finance Group's borrowings have been received at fixed rates. The Group's interest bearing liabilities are predominantly fixed rate, and their repricing profile is primarily driven by scheduled maturities. The Group actively monitors its refinancing requirements, including the upcoming 2026 bond maturity, and evaluates available market options as part of its regular funding management activities. TBI Financial Services are subject to floating interest rates (Euribor, Soifbor and Robor) and actively manages this risk. Based on

Notes to the Consolidated Financial Statements

(4) Risk management (continued)

analysis, a 100 bp increase/ (100) bp decrease change in interest rates would result in EUR 1 089 / (1 089) thousand effect on the Statement of Comprehensive Income.

Currency risk

The Group has assets and liabilities denominated in several foreign currencies. Foreign currency risk arises when the actual or forecasted assets in a foreign currency are either greater or less than the liabilities in that currency.

In TBI Financial Services currency risk is managed by the Management board, which sets limits to control the open foreign currency positions risk, which are monitored daily.

The 4finance Group's currency risk is managed centrally by the Group's Treasury Department. The 4finance Group has established a Currency risk monitoring and management policy. It is the policy to hedge its open positions where practical and economically sensible to do so.

To manage open positions in foreign currencies, the Group has entered into cross currency swaps and forward agreements. The purpose of the financial instruments is to limit the Group's exposure to foreign currency fluctuations.

An analysis of sensitivity of the Group's net income for the period and equity to changes in foreign currency exchange rates based on positions existing as at 31 December 2025 and 31 December 2024 and a simplified scenario of a 10% change in USD, CZK, PHP and RON to EUR exchange rates is as follows:

	31.12.2025		31.12.2024	
	Net income	Equity	Net income	Equity
	EUR'000	EUR'000	EUR'000	EUR'000
Appreciation of RON against EUR	16 426	16 426	9 596	9 596
Depreciation of RON against EUR	(16 426)	(16 426)	(9 596)	(9 596)
Appreciation of CZK against EUR	1 569	1 569	1 819	1 819
Depreciation of CZK against EUR	(1 569)	(1 569)	(1 819)	(1 819)
Appreciation of PHP against EUR	834	834	1 189	1 189
Depreciation of PHP against EUR	(834)	(834)	(1 189)	(1 189)
Appreciation of USD against EUR	23	23	88	88
Depreciation of USD against EUR	(23)	(23)	(88)	(88)

The currency risk analysis above illustrates the effect of an isolated appreciation/depreciation of each significant operating currency at 10% change excluding hedges. The Group is hedging majority of exposures in PHP, CZK, RON and SEK. The above analysis does not include any assumptions about the correlation between these currencies. Refer to Note (39) Currency analysis for further information on the Group's exposure to foreign currency risk.

Price risk

4finance Group

Price risk is the risk that the value of a financial instrument carried at fair value will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments traded in the market. Price risk arises when the 4finance Group takes a long or short position in a financial instrument.

TBI Financial Services

Notes to the Consolidated Financial Statements

(4) Risk management (continued)

In performing its activities, TBI Financial Services are exposed to price risk as government treasury bonds are held. TBI Financial Services risk management policies are designed to identify and analyze risks, to set appropriate risk limits and controls, and to monitor adherence to risk limits by means of a reliable and up-to-date information system. TBI Financial Services regularly review its risk management policies and systems to reflect changes in the markets, products, and emerging best practice.

(d) Operational risk

Operational risk is the risk of direct or indirect unexpected loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit risk, such as those arising from Group's dependency on its supply chains and vendors, public infrastructure, and generally accepted standards of corporate relationships. Operational risks arise from all the Group's operations.

The Group's internal control procedures are designed in a manner that manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness, while not unduly restricting initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

The Group is also subject to reputation risk in relation to the lending practices undertaken by each of its operations. Management is fully aware of the scrutiny and interest in the operations of short-term finance institutions by regulators and members of the public. Management seeks to be transparent in the way it markets its business, takes steps to ensure that all operations comply with all relevant legislation and cooperates intensively with regulators, when requested.

(e) Capital management risk

The objectives of the Group's management of capital include:

- compliance with the capital requirements set by regulators as applicable, including the banking markets in which TBI Financial Services operate
- ensuring the Group's ability to continue as a going concern so that it can continue to provide returns for the shareholders

Notes to the Consolidated Financial Statements

(4) Risk management (continued)

- maintaining a strong capital base which is the basis for the development of the Group's activity.

4finance Group

Capital management of the 4finance Group is not governed by any requirements set by regulatory institutions or international bodies. Management reviews its capital position on a regular basis to ensure positive equity in all subsidiaries of the 4finance Group and to maintain sufficient funds to support its medium- and long-term strategic goals.

TBI Financial Services

Capital adequacy and the use of equity are monitored by TBI Financial Services management, employing techniques based on the guidelines developed by the Basel Committee, as well as EU Directives and Regulations, adopted by the Bulgarian National Bank ('Regulatory Authority') for supervisory purposes. The information required is filed with the Regulatory Authority on a regular basis.

The Regulatory Authority requires each bank or group of banks: (a) to hold minimum level of equity of BGN 10 000 thousand and (b) to maintain a ratio of total regulatory capital to risk-weighted assets (RWA), which for TBI Financial Services as of 31 December 2025 is 14.66%. The ratio comprises of a total capital adequacy requirement of 8%, protective capital buffer of 2.5%, systemic risk buffer of 3% for BG RWA exposures (1.17% from the total RWA as of 31 December 2025) and countercyclical buffer of 1.24% from the total RWA as of 31 December 2025 (for BG 2%, for RO 1%, for LT 1%, for LV 0.5%, for GR 0.25%, for TR 0%). Each bank is also required to hold additional Pillar 2 Requirement and Pillar 2 Guidance, which is 1.75% (P2R) and 0% (P2G) for TBI Financial Services. TBI Financial Services capital adequacy ratio as of 31 December 2025 was 19.08% (31 December 2024: 22.28%).

The TBI Financial Services equity is divided into two tiers in accordance with the definitions and requirements of Regulation No 575 of the European Parliament and of the Council of 26 June 2013.

(f) Regulatory risk

4finance Group

The Group operates in multiple jurisdictions with evolving legal and regulatory frameworks. Changes to existing regulation, or the introduction of new legislation, could affect the Group's business models, product structures, pricing, licensing requirements or operational processes.

A key area of regulatory uncertainty relates to the respective national implementation of the revised EU Consumer Credit Directive (CCD2) in the Member States. Transposition timelines and local interpretations differ across markets and, in some jurisdictions, remain uncertain. All Member States are required to start applying new laws and regulations transposing CCD2 from 20 November 2026, however, further delays in some Member States cannot be ruled out. CCD2 and related national measures may introduce or tighten cost caps, creditworthiness and disclosure requirements, pre-contractual reflection periods, remuneration restrictions, transparency obligations around automated decision-making, and enhanced licensing, supervision and governance requirements.

These developments may lead to additional compliance requirements and the need for targeted product or process adjustments. In Spain and the Czech Republic, there are proposals to introduce price caps, bringing these markets into line with other EU markets. The expected impact varies by market and, while not considered material in all jurisdictions, regulatory change may influence operational arrangements and financial performance in certain cases.

Notes to the Consolidated Financial Statements

(4) Risk management (continued)

The Group manage this risk by:

- Ongoing monitoring of legal, legislative and regulatory developments
- Active engagement with regulators, policymakers and industry associations
- Participation in consultation processes on proposed regulatory changes
- Scenario analysis and contingency planning to support timely adaptation.

(5) Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Afinance Group

In preparing these consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Group for the period ended 31 December 2024. These included determination of the consolidation group and whether embedded derivatives within financial liabilities require separation. It was determined that embedded derivatives do not require separation.

(a) Allowances for credit losses on loans and receivables, see Note (16) Net receivables due from customers

Total allowances for impairment on loans and advances are assessed collectively. Collectively assessed impairment allowances cover credit losses inherent in portfolios of loans and advances with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified. Collectively assessed impairment allowances also cover credit losses for portfolios of defaulted loans which are defined as being past due by more than 90 days, except for the Philippines portfolio where default is set as more than 30 days past due. In assessing the need for collective loss allowances, management considers factors such as probability of default ('PD'), loss given default ('LGD'), exposure at default ('EAD'), portfolio size, delay concentration and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience, current and future economic conditions. To assess collective impairment allowances, the loan portfolio is grouped based on days past due. The significant assumptions used in determining collective impairment losses for the loan portfolio include:

- Management calculates loss given default based on collected cash from defaulted loans based on discounted net cash inflows (interest, penalties, principal, commission) in the 9 months from Default date. External Debt Collection costs are deducted from incoming cash inflows. The collected cash observation period can be extended if significant cash collections are observed after 9 months from Default date. All collected cash are discounted to the Default moment by using the last 6 months average effective interest rate ('EIR') including contractual interest rate and fees of the specific product.
- Management calculates probability of default using historic transition matrices which analyze loan portfolio movements by count of loans between the delinquency buckets over a one-month period for

Notes to the Consolidated Financial Statements

(5) Use of estimates and judgements (continued)

single payment loans, a four-month period for minimum to pay loans and a six-month period annualized for instalment loans. The analysis is undertaken on a monthly basis, in which the average probability of default ratios of the last six months for single payment loans and of the last 3 months for instalment loans and minimum to pay loans are calculated.

- Management calculates repayment rates (part of EAD) based on historical repayments of principal for loans that will default in 4 months' time for single payment loans and minimum to pay loans, and based on historical repayments for principal for loans that will default in 1 years' time for bucket until 30 days past due and accordingly in 2 and 1 months for buckets after 30 days past due for instalment loans. A repayment rate is calculated for each delinquency group individually by comparing the actual open principal amount at default date to the initial outstanding principal at observation period.
- Management writes off receivables and loans to customers when they are past due more than one year or earlier if deemed to be uncollectable. For the Philippines portfolio, loans are also written off at the point of Default, i.e. over 30 days past due.

The Group also makes use of debt sales to third parties for its defaulted loans. The proceeds from debt sales are included, where relevant, in the cash recoveries for the LGD calculation. Where a regular 'forward flow' debt sale agreement is effective, the average realization price can be used as the LGD for the appropriate delay buckets where the majority of those loans are eligible for the forward flow debt sale.

For new portfolios, where there is insufficient past statistical data, projections of recoveries are used based on the data available and benchmarking of comparable data from other markets where the 4finance Group has wider historical data availability. Projected LGD rates vary across the countries depending on the specifics of individual countries.

During the period ending 31 December 2025, management continually reassessed its impairment allowances for credit losses on loans and receivables, taking into account changes in macroeconomic conditions, market developments, legal and regulatory requirements, as well as portfolio performance and recovery experience. This assessment included a review of historical recovery trends impacting the LGD ratios that underlie the impairment loss allowance calculations. As of 31 December 2025, the weighted average LGD rate across portfolios was 68% (31 December 2024: 67%). On product level single payment loan weighted average LGD was 76%, 69% for instalment loans and 56% for minimum to pay loans.

Sensitivity analysis of the Group's net income for the period and equity to changes in LGD rates given a simplified scenario of a 5% increase in the LGD ratio for each operating entity would increase loan loss impairment for EUR 1 854 thousand (31 December 2024: EUR 2 270 thousand). A 5% decrease would lead to a decrease for EUR 1 988 thousand (31 December 2024: EUR 2 426 thousand).

(b) Separation of embedded derivatives

There is an early redemption option related to the issued debt. These prepayment options are judged to be closely related to the host debt instruments characteristics and, therefore, are not separated from the host debt instrument.

(c) Capitalization of internal development costs

During the period, 4finance Group developed certain software solutions. 4finance Group applied IAS 38 to assess expenditure that met the criteria to be capitalized and expenditure to be expensed to profit or loss. Management judgement is required to assess costs falling within 3 specific phases - research and pre-

Notes to the Consolidated Financial Statements

(5) Use of estimates and judgements (continued)

development costs, development costs and maintenance/post-development costs. 4finance Group has set up internal processes allowing it to allocate internal IT costs to the appropriate stage. Only those expenses that have been internally assessed as relating to development are capitalized. In addition, management judgement is required in assessing the useful economic lives of developed projects and performing review of intangible assets carrying value for impairment. Currently, useful life is 3-5 years depending on the nature of the development. When assessing value in use, estimated future cash flows of cash-generating units are discounted to their present value using a rate that reflects current market assessments of the time value of money and the risks associated to the asset. Information in relation to the capitalisation of internal development costs is disclosed in more detail in Note (24) Intangible assets and goodwill.

(d) Deferred tax asset recognition

Significant management judgement is required in assessing deferred tax assets, in particular projecting taxable profits in current and future years, see Note (25) Deferred tax assets.

(e) Fair value of financial instruments

Significant management judgement is used for estimating unobservable inputs and valuation adjustments, see Note (35) Fair value of financial instruments.

(f) Valuation of related and other party loans

Significant management judgement is used for estimating market interest rate and expected credit loss, see Notes (19) Net loans to related parties and (20) Net loans to other parties.

(g) Impairment of Intangible assets and goodwill measurement

Significant management judgement is required for calculation goodwill and assessing intangible asset, including goodwill, impairment. The main judgmental areas include fair value of assets and liabilities acquired calculation for goodwill calculation and projecting expected free cash flows to equity holders in current and future years, estimating discount rates and estimating terminal growth rates, see Note (24) Intangible assets and goodwill.

(h) Provisions and contingent liabilities

Significant management judgement is used for estimating provisions and contingent liabilities in relation to legal cases, see Notes (34) Litigations and (24) Intangible assets and goodwill.

TBI Financial Services

TBI Financial Services make estimates and assumptions that affect the amounts of reported assets and liabilities within the next financial year. Accounting estimates and judgements are consistently applied and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Allowances for credit losses

TBI Financial Services review its loan portfolios to assess the need for impairment on at least a quarterly basis. In determining whether an impairment loss should be recorded in the Statement of Comprehensive Income, TBI Financial Services make an analysis whether objective data exists indicating that there is a significant decrease in the estimated future cash flows from the loan portfolio. Such evidence may include observable data, indicating an adverse change in the borrowers' ability to meet their loan obligations in the respective portfolio, or their national or local economic conditions indicate that the probability of default has

Notes to the Consolidated Financial Statements

(5) Use of estimates and judgements (continued)

increased. When estimating future cash flows, for assets with credit risk features and objective evidence for impairment similar to those in the portfolio, management uses estimates based on historical losses experienced. The methodology and assumptions used to estimate the amount and timing of future cash flows are reviewed regularly in order to reduce differences between loss estimates and actual loss experience. TBI Financial Services undertake a credit risk stress test which assumes a static portfolio of the bank and migration of loans with DPD up to 90 days to loans with DPD 90+ with a forecast horizon of 12 months as reflected in the average three years transition matrices per product and domicile in adverse scenario with a total effect of EUR 5 001 thousand as of 31 December 2025 (31 December 2024: EUR 5 003 thousand). As per European Banking Authority ('EBA') requirements the adverse scenario assumptions are performed on a dynamic portfolio with 36 months horizon totaling overall risk estimate of EUR 16 725 thousand (31 December 2024: EUR 13 796 thousand).

(b) Collateral and repossessed collateral valuation

The value of real estate collateral is determined by independent expert appraisers, using generally accepted valuation techniques. Such techniques include the revenue method and the discounted cash flow method. In certain cases, fair value is determined based on recent transactions involving real estate with similar features and locations as the collateral.

Non-real estate repossessed collateral is measured at the lower of the value upon acquisition and the fair value less costs to make the sale.

The calculation of fair value of collateral involves the use of estimates, including the future cash flows from the assets and the discount rates applicable to these assets. These estimates are based on the conditions in the local market existing at the date of valuation.

TBI Financial Services management has committed to specific actions aimed at the realization of repossessed assets through disposal.

The assets repossessed against loans are classified as assets acquired from foreclosure on collateral.

TBI Financial Services undertake a collateral depreciation stress test for repossessed assets, which assumes a devaluation of real estate by 5-15% depending on the type of real estate over a forecast horizon of 12 months. As of 31 December 2025, this test resulted in a sensitivity of EUR 250 thousand (31 December 2024: EUR 167 thousand).

(c) Analysis of the components of effective interest rate (EIR)

Significant management judgement is used for estimating the components of the effective interest rate of financial instruments carried at amortised cost.

(d) Fair value of financial instruments

Significant management judgement is used for estimating unobservable inputs and valuation adjustments, see Note (35) Fair value of financial instruments.

(e) Provisions and contingent liabilities

Significant management judgement is used for estimating provisions and contingent liabilities in relation to legal cases, see Note (34) Litigations and (30) Contingent liabilities and irrecoverable commitments.

Notes to the Consolidated Financial Statements

(6) Interest income

Summary

	2025	2024
	EUR'000	EUR'000
		Restated
Loans to customers	174 436	188 292
Corporate loans	6 860	7 692
Due from banks	625	733
	<u>181 921</u>	<u>196 717</u>

Interest income from Corporate loans include interest income from related parties of EUR 5 554 thousand (2024: EUR 3 045 thousand) and interest income from other corporate loans EUR 1 306 thousand (2024: EUR 4 647 thousand).

Interest income split by geographic markets:

Loans to customers

	2025	2024
	EUR'000	EUR'000
		Restated
Spain	90 088	90 048
Latvia	30 364	35 564
Czech Republic	23 396	24 316
Philippines	15 580	25 471
Bulgaria	5 645	5 447
Lithuania	4 822	1 819
Sweden	2 784	4 146
Mexico	1 185	1 037
Georgia	573	-
Denmark	-	445
	<u>174 436</u>	<u>188 292</u>

(7) Interest expense

	2025	2024
	EUR'000	EUR'000
		Restated
Interest expense on notes	29 970	29 515
Other	126	36
	<u>30 096</u>	<u>29 551</u>

Interest expense on notes include interest and issuing expenses from bonds in 4finance S.A.

Notes to the Consolidated Financial Statements

(8) Other operating income

	2025 EUR'000	2024 EUR'000 Restated
Income from services	18 572	23 749
Other income	486	405
Interest income	78	5
	<u>19 137</u>	<u>24 159</u>

Other operating income includes income from services and relevant fee income from the online business (mainly in Philippines and Lithuania) such as income from contracts with customers under IFRS 15.

(9) Operating costs

	2025 EUR'000	2024 EUR'000 Restated
Personnel costs	30 004	31 462
Marketing and sponsorship	11 573	17 757
IT expenses	7 291	6 763
Legal and consulting	5 647	6 850
Application inspection costs	3 342	3 422
Taxes	3 239	5 403
Depreciation and amortization	3 024	2 711
Communication expenses	1 899	1 958
Bank services	1 487	2 295
Debt collection costs	1 191	1 251
Rent and utilities	530	121
Other	10 055	12 182
	<u>79 282</u>	<u>92 173</u>

The year-on-year decrease in operating costs is mainly related to the decrease in marketing costs with main goal of investing in most efficient channels. The Group maintains its ongoing focus on cost discipline and efficiency, including the wind-downs of certain products/markets.

Other expenses mainly consist of provision for usury claims in Spain and staff event costs.

Executive Committee and Board member remuneration expenses are disclosed in Note 32.

	2025 EUR'000	2024 EUR'000 Restated
Auditor's fees (part of Legal and consulting)		
Audit fees	897	881
Discontinued operations	581	656
	<u>1 478</u>	<u>1 537</u>

Notes to the Consolidated Financial Statements**(9) Operating costs (continued)**

	2025	2024
Average number of employees		Restated
Senior management/Executives	5	5
Employees	616	580
Discontinued operations	1 978	1 884
	<u>2 599</u>	<u>2 469</u>

(10) Non-recurring income/(expense)

	2025	2024
	EUR'000	EUR'000
		Restated
Intangible asset write-off	(392)	(197)
Goodwill write-off	(28)	-
Disposals of subsidiaries	-	1 090
Other non-recurring income/(expense)	(21)	(471)
	<u>(441)</u>	<u>422</u>

The Group has reviewed its IT related internally developed intangible assets portfolio to identify assets which either are not used, or which functionality is not aligned with current business strategy and therefore future economic benefit is not expected and has made a decision to write-off some intangible assets.

The Group made a decision to write-off goodwill of EUR 28 thousand associated with business in Mexico (Wikipro SA de CV). Please find more details in Note 24.

Disposals of subsidiaries in 2024 include results from sale of 4f Sales, Inc. (net gain of EUR 1 080 thousand), 4finance UAB (net gain of EUR 97) and 4finance ApS (net loss of EUR 86 thousand).

(11) Net foreign currency loss

	2025	2024
	EUR'000	EUR'000
		Restated
Net foreign currency (gain)/loss	927	(224)
Net loss on derivatives	1 197	1 335
	<u>2 124</u>	<u>1 111</u>

Notes to the Consolidated Financial Statements

(12) Net impairment losses

	2025	2024
	EUR'000	EUR'000
		Restated
Impairment losses on loans	80 917	99 957
Reversal of provision on debt portfolio sales	114	(1 758)
Recovery from written-off loans	(2 782)	(3 803)
	<u>78 249</u>	<u>94 396</u>

Net impairment losses in 2025 were lower year-on-year reflecting improved risk metrics and changing product mix.

(13) Income tax for the reporting period

	2025	2024
	EUR'000	EUR'000
		Restated
Current tax	6 987	4 501
Deferred tax	1 116	(878)
	<u>8 103</u>	<u>3 623</u>

Reconciliation of effective income tax:

	2025	2024
	EUR'000	EUR'000
		Restated
Profit before corporate income tax from continuing operations	11 528	4 672
Profit before corporate income tax from discontinued operations	31 703	60 741
Accounting profit before income tax	43 232	65 413
Theoretical corporate income tax, 23.87% (2024: 24.94%)	10 319	16 314
Effect of change in deferred tax asset recognition policy	601	-
Tax effect of permanent differences related to non-deductible expenses/non-taxable income	13 437	7 454
Impact of tax rate in other jurisdictions	(3 387)	(10 669)
Corporate income tax for the reporting period	<u>20 971</u>	<u>13 098</u>
Income tax attributable to continuing operations	8 103	3 623
Income tax attributable to discontinued operations	12 868	9 476

The tax charge from continuing operations in 2025 was mainly created by the Group's biggest profitable countries and entities: Czech Republic, Latvia and Spain.

Items impacting the effective tax rate for the continued operations:

- current tax representing tax payable by Group's biggest profitable entities: Spain, Czech Republic and Latvia;
- the Group's policy to continue not to recognize deferred tax assets on tax losses and other temporary differences in countries where there is uncertainty around utilization of these assets in future or if the items relate to holding level entities.

Notes to the Consolidated Financial Statements

(13) Income tax for the reporting period (continued)

Companies within the Group are subject, from time to time to tax inspections by the relevant local tax authorities. Currently, a tax inspection is being undertaken by the local tax authorities in Peso Redee Financing Co. Inc. (Philippines). The group expects the audit to finish in 2026 and does not expect any incremental tax provision to be necessary.

Income tax liability as of 31 December 2025 was EUR 4 726 thousand (31 December 2024: EUR 11 355 thousand), while income tax advances as of 31 December 2025 were EUR 4 625 thousand (31 December 2024: EUR 9 657 thousand).

Income tax attributable to discontinued operations is included within the disposal group, for more information refer to Note 14.

(14) Assets and liabilities held for sale and discontinued operations

On 18 April 2025, the Group entered into a definitive agreement for the sale of TBI Bank EAD via its subsidiary TBI Financial Services B.V. to Advent International (Bago (Luxembourg) S.à r.l.), a leading global private equity investor, following a strategic decision to place greater focus on Groups' core business. The transaction terms provide a total consideration that exceeds the disposal group's carrying amount as of 31 December 2024 as well as two earnouts based on TBI Bank EAD consolidated financial statement profit for 2025 and 2026. The transaction has received approval from European Commission and European Central Bank and was completed on 27 February 2026.

As at 18 April 2025, TBI Bank EAD met the criteria to be classified as an asset held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Upon classification, the Group measured the disposal group at the lower of carrying amount and fair value less costs to sell. No impairment loss was recognized. As at the reporting date, 31 December 2025, a subsequent measurement was performed, resulting in the recognition of an impairment loss. Further details regarding impairment recognition are provided below. Additionally, in accordance with IFRS 5, depreciation and amortisation of non-current assets included in discontinued operations ceased following their classification as held for sale on 18 April 2025.

As at 31 December 2025, all assets and liabilities of TBI Bank EAD have been presented as held for sale, with the exception of net receivables due from customers amounting to EUR 14 631 thousand, representing a loan portfolio purchased from Credit Service UAB (Lithuania) in prior periods. As IFRS 5 does not prescribe the attribution of assets that are subject to transitional arrangements, and this presentation reflects the economic substance and continuity of the Group's ongoing activities, this balance has been presented within continuing operations, consistent with the terms of the sale agreement, under which all rights related to this asset are to be transferred back from TBI Bank EAD to Credit Service UAB on 31 January 2026. In addition, other non-material presentation adjustments have been made in the attribution between continuing and discontinued operations on the same basis.

The results of TBI Bank EAD are presented as discontinued operations. The comparative consolidated statement of profit or loss and OCI have been restated to show the discontinued operation separately from continuing operations.

Notes to the Consolidated Financial Statements

(14) Assets and liabilities held for sale and discontinued operations (continued)

The contribution to results of TBI Bank EAD for the period are presented below:

(a) Results of discontinued operations

	2025	2024
	EUR'000	EUR'000
Interest Income	304 536	253 420
Interest expense	(57 934)	(48 204)
Non-interest income	61 150	54 009
Net impairment losses	(103 518)	(78 635)
Net other expenses	(125 660)	(119 850)
Results from operating activities	78 573	60 741
Income tax for the reporting period	(12 868)	(9 476)
Results from operating activities, net of tax	65 706	51 265
Impairment losses related to assets held for sale	(46 870)	-
Profit for the period from discontinued operations	18 836	51 265
Basic earnings (loss) per share (EUR)	0.23	0.63
Diluted earning (loss) per share (EUR)	0.23	0.63

The profit from the discontinued operation of EUR 18 836 thousand (2024: EUR 51 265 thousand) is attributable entirely to the owners of the Company. Profit for the period from discontinued operations in 2025 includes an impairment of EUR 46 870 thousand, recognized in accordance with the requirement to measure a disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell, as at 31 December 2025. The fair value less costs to sell measurement is categorised within Level 3 of the IFRS 13 fair value hierarchy, as it incorporates significant unobservable inputs, including assumptions relating to future performance and contingent consideration.

The impairment is allocated first to goodwill (EUR 15 856 thousand) and then pro-rata to the remaining non-current assets in accordance with IAS 36 (EUR 31 014 thousand). The table in part (c) Assets and liabilities of disposal group held for sale presents the carrying amounts before and after impairment. More information about goodwill impairment evaluation is described in Note 24.

(b) Cash flows (used in) discontinued operations

	2025	2024
	EUR'000	EUR'000
Net cash from operating activities	(62 649)	(32 958)
Net cash used in investing activities	(15 224)	(14 715)
Net cash flow used in financing activities	82 503	10 291
Net cash flow for the period	4 630	(37 382)

Notes to the Consolidated Financial Statements

(14) Assets and liabilities held for sale and discontinued operations (continued)

(c) Assets and liabilities of disposal group held for sale

At 31 December 2025, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities.

	31.12.2025	31.12.2025	31.12.2025
	EUR'000	EUR'000	EUR'000
	Before		After
	impairment	Impairment	impairment
Cash and cash equivalents	236 778	-	236 778
Placements with other banks	72 682	-	72 682
Net receivables due from customers	1 456 856	-	1 456 856
Debt and equity investments	270 003	-	270 003
Intangible assets	41 572	(21 957)	19 615
Property and equipment	17 854	(9 031)	8 823
Goodwill	15 856	(15 856)	-
Other assets	57 365	(26)	57 340
Assets held for sale	2 168 966	(46 870)	2 122 096
			31.12.2025
			EUR'000
Deposits from customers			1 558 704
Loans and borrowings			176 561
Other liabilities			97 442
Liabilities held for sale			1 832 707

(15) Cash and cash equivalents

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Bank balances	37 986	96 799
Cash at central banks other than the minimum statutory reserve	-	40 213
Cash and cash equivalents in the statement of cash flows	37 986	137 012
Minimum statutory reserve	-	157 723
Total cash on hand and cash at central banks	37 986	294 735

The year-on-year decrease in cash and cash equivalents is mainly related to the TBI Bank EAD being classified as assets held for sale.

Notes to the Consolidated Financial Statements

(16) Net receivables due from customers

Summary

Net receivables due from customers have been divided into two parts below. 4finance Group shows all companies under 4finance Holding S.A. with the exception of TBI Financial Services, which has been shown separately.

4finance Group

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Long-term loans due from customers	46 288	33 467
Allowance for impairment of long-term loans due from customers	(780)	(1 251)
Long term	45 508	32 216
Short-term loans due from customers	134 661	141 058
Allowance for impairment of short-term loans due from customers	(29 521)	(34 223)
Short term	105 140	106 835
	<u>150 648</u>	<u>139 051</u>

The 4finance Group's long-term and short-term loans consist of loan balances not exceeding EUR 15 000 per loan (31 December 2024: EUR 15 000 and maturity of up to 7 years) with maturity of up to 7 years. The average loan size in 2025 was EUR 175 (2024: EUR 166). The loans are not collateralized.

Movements in the allowance for impairment for 4finance Group for the respective periods are as follows:

	2025	2024
	EUR'000	EUR'000
<u>Allowance for impairment</u>		
Balance at the beginning of period	35 473	37 576
Charge for the period	80 917	98 919
Amounts written-off	(46 039)	(55 119)
Derecognised on disposal of portfolio	(41 165)	(45 659)
Transfer from disposal group	1 202	-
Currency effect	(86)	(245)
Balance at period end	<u>30 302</u>	<u>35 473</u>

The net loss from debt sales of loan portfolios in the 4finance Group is EUR 114 thousand (2024: gain EUR 1 513 thousand).

Movements in the allowance for impairment include movements of EUR 3 093 thousand (2024: EUR 3 762 thousand) on receivables recognized under IFRS 15, which are included in the balance of Other assets (Note 21).

Notes to the Consolidated Financial Statements

(16) Net receivables due from customers (continued)

Loans by country and currency:

	Gross receivables	Allowance for impairment	Net receivables	Gross receivables	Allowance for impairment	Net receivables
	31.12.2025	31.12.2025	31.12.2025	31.12.2024	31.12.2024	31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Latvia (EUR)	65 135	(7 800)	57 334	81 341	(11 222)	70 120
Spain (EUR)	47 020	(14 204)	32 816	48 205	(15 441)	32 764
Lithuania (EUR)	34 904	(1 839)	33 065	10 775	(1 377)	9 398
Czech Republic (CZK)	17 700	(3 975)	13 725	17 780	(3 241)	14 538
Philippines (PHP)	6 524	(1 171)	5 353	9 818	(2 053)	7 764
Sweden (SEK)	3 529	(302)	3 227	4 458	(422)	4 036
Bulgaria (BGN)	3 418	(964)	2 454	-	-	-
Georgia (GEL)	2 719	(46)	2 673	-	-	-
Mexico (MXN)	-	-	-	2 149	(1 717)	432
	180 949	(30 302)	150 648	174 525	(35 473)	139 051

TBI Financial Services

On 31 December 2025 TBI Bank EAD net receivables due from customers are classified as part of assets held for sale, for more details please see Note 14.

In 2024 loans to customers include accrued interest amounting to EUR 24 345 thousand. In 2024 loans to customers bearing floating interest rates amount to EUR 153 944 thousand, and loans to customers bearing fixed interest rates amount to EUR 1 147 148 thousand.

Loans to customers

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Individuals	-	1 124 749
Corporate clients	-	175 121
Staff	-	1 221
Total loans to customers	-	1 301 091
Allowance for impairment	-	(124 216)
Total net loans to customers	-	1 176 875

Allowance for impairment

The movement in allowance for impairment is as follows:

Notes to the Consolidated Financial Statements**(16) Net receivables due from customers (continued)****Allowance for impairment for individually assessed financial assets**

	2025	2024
	EUR'000	EUR'000
Balance at the beginning of period	1 012	833
Charge for the period	(92)	477
Amounts written-off	-	(298)
Currency effect	(16)	-
Transfer to assets held for sale	(904)	-
Balance at period end	-	1 012

Allowance for impairment for collectively assessed financial assets

	2025	2024
	EUR'000	EUR'000
Balance at the beginning of period	123 204	88 848
Charge for the period	131 522	106 829
Amounts written-off	(129 593)	(72 392)
Currency effect	(1 894)	(81)
Charge for the period in discontinued operations	(939)	-
Transfer to assets held for sale	(122 300)	-
Balance at period end	-	123 204

Net gain from debt sales of portfolio in TBI Financial Services is EUR 6 426 thousand (2024: EUR 12 445 thousand).

Notes to the Consolidated Financial Statements

(16) Net receivables due from customers (continued)

Structure of the loan portfolio by economic sectors

	Gross receivables	Allowance for impairment	Net receivables	Gross receivables	Allowance for impairment	Net receivables
	31.12.2025	31.12.2025	31.12.2025	31.12.2024	31.12.2024	31.12.2024
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Individuals	-	-	-	1 124 749	(120 674)	1 004 074
Construction and real estate	-	-	-	124 734	(856)	123 878
Other financial institutions	-	-	-	17 597	(154)	17 443
Commerce	-	-	-	15 409	(1 280)	14 129
Services	-	-	-	9 428	(571)	8 857
Manufacturing	-	-	-	4 357	(225)	4 131
Tourism	-	-	-	2 445	(169)	2 276
Staff	-	-	-	1 221	(45)	1 176
Agriculture	-	-	-	1 152	(240)	912
Total loans to customers	-	-	-	1 301 091	(124 216)	1 176 875

(17) Net investments in finance leases

	31.12.2025 EUR'000	31.12.2024 EUR'000
Gross investment in finance leases:		
Not later than one year	-	107
Later than one and not later than five years	-	47
Later than five years	-	1 328
	-	1 482
Unrealised finance income	-	(12)
	-	1 470
Less allowance for impairment	-	(615)
Net investment in finance leases	-	855
Net investment in finance leases		
Not later than one year	-	74
Later than one and not later than five years	-	6
Later than five years	-	775
	-	855

Notes to the Consolidated Financial Statements

(17) Net investments in finance leases (continued)

As at 31 December 2025, there are no investments in finance leases as they are classified as assets held for sale relating to sale of TBI Bank EAD.

A movement of the allowance for impairment losses for finance leases is as follows row:

	2025	2024
	EUR'000	EUR'000
As of 1 January	615	517
Impairment loss allowance charged	246	(6)
Reversed	(792)	104
Transfer to assets held for sale	(70)	-
As of 31 December	-	615

(18) Debt and Equity investments

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Debt securities	17 747	238 992
Investments in equities	12	55
	17 759	239 047

As at 31 December 2025 4finance Holding S.A. holds corporate notes amounting to EUR 17 747 thousand (31 December 2024: EUR 16 402 thousand).

Debt and Equity investments decreased as at 31 December 2025 related to TBI Bank EAD being classified as assets held for sale.

Debt securities as at 31 December 2024 include EUR 222 182 thousand of government bonds and EUR 408 thousand of corporate bonds measured at FVOCI held by TBI Financial Services.

Notes to the Consolidated Financial Statements

(19) Net loans to related parties

	Maturity	Interest rate	Principal amount		Accrued interest	
			31.12.2025	31.12.2024	31.12.2025	31.12.2024
			EUR'000	EUR'000	EUR'000	EUR'000
Digital Finance Holdings S.A.	Sep 2026	15.00%	29 424	4 620	1 946	58
Ondal Finance Ltd	Mar 2026	11.00%	14 387	5 145	81	-
4finance Group S.A.	Jun 2026	15.00%	9 311	9 310	830	-
Unitron Technology S.A.P.I. DE C.V.	Aug 2028	16.00%	3 243	-	80	-
Digital Finance International (Cyprus) Limited	Jan 2027	15.00%	490	490	12	25
Other	Dec 2026	13.00%-15.00%	636	1 022	1	12
			57 492	20 588	2 951	95

All loans to related parties are unsecured.

The Group has entered into various loan agreements with related parties. These can be grouped into three categories: funding provided to the Group's parent company, 4finance Group S.A., funding provided to companies the Group has a minority ownership in, and funding provided to other related companies.

The Group has a minority ownership position in Digital Finance Holdings S.A. and joint venture in Ondal Finance Ltd. The Group has provided financing to the companies to support their growth, see note (22) Investment in associates and joint ventures.

(20) Net loans to other parties

	Maturity	Interest rate	Principal amount		Accrued interest	
			31.12.2025	31.12.2024	31.12.2025	31.12.2024
			EUR'000	EUR'000	EUR'000	EUR'000
M3 Groupe Holding SA	Due	15.00%	90	2 391	139	90
Other	Due-Jan 2026	0.00%-12.00%	556	-	-	-
			646	2 391	139	90

Notes to the Consolidated Financial Statements

(21) Other assets

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Receivables from trade partners	5 324	36 966
Poland net purchase price receivable	2 870	2 798
FX hedging - funds on margin	570	302
Security deposits	309	649
Repossessed real estate	-	1 902
- less accumulated impairment	-	(437)
Other repossessed assets	17	384
-less accumulated impairment	-	(322)
Other receivables	1 965	1 602
	<u>11 056</u>	<u>43 844</u>

Other assets decrease year on year related to TBI Bank EAD being classified as assets held for sale as at 31 December 2025, see Note 14.

The Poland nominal purchase price receivable at 31 December 2025 of EUR 3 million is shown net of discounting (31 December 2024: EUR 3 million). Discounting is used because payment is due in the next year.

Other repossessed assets are assets held for sale in Online Loans Pilipinas Financing Inc. Assets are measured at net realizable value.

FX hedging – funds on margin includes Group’s EUR/CZK, EUR/PHP, EUR/SEK and EUR/RON currency hedges.

Other receivables as at 31 December 2025 include other receivables from related parties of EUR 1 250 thousand (31 December 2024: EUR 1 304 thousand).

(22) Investment in associates and joint ventures

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Investments in associates and joint ventures	<u>0</u>	<u>561</u>
	<u>0</u>	<u>561</u>

On 3 December 2025, Vane GmbH, a non-listed limited liability German company, resolved to redeem all shares held by the Group, resulting in the cancellation of the Group’s entire ownership interest (31 December 2024: 24.39%) and the loss of significant influence. Accordingly, the Group’s investment in associate, previously carried at EUR 561 thousand, was fully written down, and the carrying amount as of 31 December 2025 is EUR 0.

On 21 June 2024, 4finance Holding S.A. acquired 15% of newly established Digital Finance Holdings S.A for EUR 1 thousand, 85% of the shares are owned by Acreon Consulting Group. The Group has significant influence over but does not control the company. Digital Finance Holdings S.A. intends to focus on emerging market consumer lending.

Notes to the Consolidated Financial Statements

(22) Investment in associates and joint ventures (continued)

On 10 February 2023, 4finance Holding S.A. together with 4finance Group S.A. established Ondal Finance Limited, each holding 50% of its shares. On 9 April 2025, 4finance Group S.A. sold their ownership to a 3rd party. 4finance Holding S.A. interest is accounted for using the equity method. Summarized unaudited financial information of the joint venture based on IFRS adopted by EU, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below.

Summarized statement of financial position of Ondal Finance Limited:

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Assets		
<i>Current assets</i>		
Debtors	14 834	4 679
Other Assets	250	-
Total assets	15 084	4 679
Capital, reserves and liabilities		
Revaluation reserve	(227)	(12)
Profit / (loss) account	160	(347)
Total capital and reserves	(68)	(359)
Liabilities		
<i>Creditors</i>		
Creditors	15 151	5 038
Total creditors	15 151	5 038
Total capital, reserves and liabilities	15 084	4 679
Group's share in equity - 50%	-	-
Goodwill	-	-
Group's carrying amount of the investment	-	-

Summarized statement of profit or loss of Ondal Finance Limited:

	2025	2024
	EUR'000	EUR'000
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Administration expenses	(19 279)	(3 866)
Operating loss	(19 279)	(3 866)
Interest receivable and other income	19 727	3 631
Interest payable and similar expenses	-	-
Profit / (loss) before tax	448	(235)
Tax on profit / (loss)	(112)	59
Profit / (loss) of the financial period	336	(176)
Total comprehensive profit / (loss)	336	(176)
Group's share of profit - 50%	-	-

Notes to the Consolidated Financial Statements

(22) Investment in associates and joint ventures (continued)

The joint venture had no other contingent liabilities or commitments as of 31 December 2025. The entity cannot distribute its profits without the consent of the two venture partners. In the year 2025 dividends have not been distributed.

(23) Property and equipment

	Buildings and land	Leasehold improvements	Computer equipment	Other property and equipment	Motor Vehicles	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Cost						
31 December 2023	18 179	3 074	3 014	8 331	1 776	34 375
Right-of-use assets	350	-	-	-	293	643
Additions	18	605	305	2 114	-	3 042
Disposals	-	(557)	(665)	(2 076)	(13)	(3 311)
Effect of changes in foreign exchange rates	1	1	(10)	(6)	-	(14)
31 December 2024	18 548	3 123	2 644	8 363	2 056	34 735
Accumulated depreciation and impairment						
31 December 2023	8 089	1 799	2 249	3 208	866	16 211
Right-of-use assets	822	-	-	-	258	1 080
Depreciation	181	431	296	1 401	-	2 309
Disposals	-	(412)	(660)	(1 914)	(13)	(2 999)
Effect of changes in foreign exchange rates	-	1	(8)	(5)	-	(12)
31 December 2024	9 092	1 819	1 877	2 690	1 111	16 589
31 December 2023	10 090	1 275	765	5 123	910	18 164
31 December 2024	9 456	1 304	767	5 673	945	18 146

Notes to the Consolidated Financial Statements

(23) Property and equipment (continued)

	Buildings and land	Leasehold improvements	Computer equipment	Other property and equipment	Motor Vehicles	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Cost						
31 December 2024	18 548	3 123	2 644	8 363	2 056	34 735
Right-of-use assets	3 002	-	-	-	187	3 189
Additions	-	68	197	502	7	774
Disposals	-	(71)	(340)	(280)	1	(690)
Reclassification of fixed assets	-	178	49	(226)	-	1
Transfer to assets held for sale	(18 057)	(2 525)	-	(7 457)	(2 095)	(30 134)
Effect of changes in foreign exchange rates	(3)	(5)	8	3	(1)	2
31 December 2025	3 490	768	2 558	905	155	7 877
Accumulated depreciation and impairment						
31 December 2024	9 092	1 819	1 877	2 690	1 111	16 589
Right-of-use assets	1 183	-	-	-	77	1 260
Depreciation	43	113	331	399	3	889
Disposals	-	(8)	(331)	(261)	-	(600)
Reclassification of fixed assets	-	-	183	(183)	-	-
Transfer to assets held for sale	(9 326)	(1 209)	-	(2 012)	(1 060)	(13 607)
Effect of changes in foreign exchange rates	1	(4)	12	6	-	15
31 December 2025	993	711	2 072	639	131	4 546
31 December 2024	9 456	1 304	767	5 673	945	18 146
31 December 2025	2 497	57	486	266	24	3 330

As of 31 December 2025, property and equipment include right-of-use assets of EUR 2 518 thousand related to leased office premises and motor vehicles (2024: EUR 6 777 thousand related to leased branches, office premises and motor vehicles). For details see Note (31) Right-of-use assets and lease liabilities.

As of 31 December 2025, property and equipment of TBI Bank EAD is reclassified to assets held for sale, see Note 14.

Notes to the Consolidated Financial Statements

(24) Intangible assets and goodwill

	Licenses, trademarks and similar rights	Software and other intangible assets	Goodwill	Development costs	Advances	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Cost						
31 December 2023	23 762	15 720	27 238	2 588	-	69 308
Additions	5 149	8 053	-	4 268	41	17 511
Disposals and write-offs	(90)	(130)	-	(1 012)	-	(1 232)
Reclassification	10 272	(8 603)	-	(1 651)	-	18
Effect of changes in foreign exchange rates	1	(43)	181	(22)	-	117
31 December 2024	39 094	14 997	27 419	4 171	41	85 722
Accumulated amortisation and impairment						
31 December 2023	6 730	6 223	-	-	-	12 953
Amortisation	4 707	1 302	-	-	-	6 009
Amortisation of disposals	(40)	(1)	-	-	-	(41)
Reclassification	25	(25)	-	-	-	-
Effect of changes in foreign exchange rates	1	(31)	-	-	-	(30)
31 December 2024	11 423	7 468	-	-	-	18 891
31 December 2023	17 032	9 497	27 238	2 588	-	56 355
31 December 2024	27 671	7 529	27 419	4 171	41	66 831

Notes to the Consolidated Financial Statements**(24) Intangible assets and goodwill (continued)**

	Licenses, trademarks and similar rights	Software and other intangible assets	Goodwill	Development costs	Advances	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Cost						
31 December 2024	39 094	14 997	27 419	4 171	41	85 722
Additions	725	1 500	-	4 782	(10)	6 997
Disposals and write-offs	(10)	(471)	(28)	(165)	(32)	(706)
Reclassification	6 873	(3 723)	-	(3 150)	-	-
Transfer to assets held for sale	(45 580)	3 182	(15 856)	-	-	(58 254)
Effect of changes in foreign exchange rates	(5)	100	(1 493)	55	1	(1 342)
31 December 2025	1 097	15 585	10 042	5 693	-	32 417
Accumulated amortisation and impairment						
31 December 2024	11 423	7 468	-	-	-	18 891
Amortisation	1 532	1 949	-	-	-	3 481
Amortisation of disposals	(4)	(72)	-	-	-	(76)
Reclassification	(444)	444	-	-	-	-
Transfer to assets held for sale	(11 444)	(44)	-	-	-	(11 488)
Effect of changes in foreign exchange rates	(2)	79	-	-	-	77
31 December 2025	1 061	9 824	-	-	-	10 885
31 December 2024	27 671	7 529	27 419	4 171	41	66 831
31 December 2025	36	5 761	10 042	5 693	-	21 532

Software and other intangible assets consist of internally generated and other intangible assets. Development costs largely relate to new IT development projects and significant improvements of existing products. Impairment test of Software and Development costs capitalized as of 31 December 2025 was performed, taking into consideration future performance of cash generating units. A cash generating unit is a product (instalment loan, single payment loan or minimum to pay product with separately identifiable loan portfolio and brand name) of each 4finance Group entity, which is the unit that generates cash inflow from continuing use that is largely independent of the cash inflow of other assets. As a result, no impairment was recognized. In addition to impairment test results, Group has reviewed IT related intangible assets portfolio to identify assets which either are not used, or which functionality is not aligned with current business strategy and therefore future economic benefit is not expected and has made a decision to write-off such intangible assets and development costs and recognized as non-recurring expenses, for details see Note (10) Non-recurring expense.

Notes to the Consolidated Financial Statements

(24) Intangible assets and goodwill (continued)

Goodwill

In September 2023 the Group purchased Wikipro, SA de CV in Mexico which resulted in recognition of goodwill of EUR 28 thousand. On 31 December 2025 the Group wrote off goodwill in full amount.

Acquisition of TBI Financial Services

On 11 August 2016, 4finance Holding S.A. completed the purchase of TBI Bank EAD through the acquisition of 100% of TBI Financial Services B.V. from its parent company, Kardan Financial Services B.V., following receipt of all regulatory approvals. TBI Financial Services was a consumer-focused financial group in Bulgaria and Romania. The acquisition was in line with the Group's strategy of product and geographic diversification. The total consideration was paid in cash of EUR 81.8 million where goodwill recognized was EUR 15 856 thousand.

TBI Financial Services goodwill impairment test

As discussed in Note (14) Assets and liabilities held for sale and discontinued operations, on 18 April 2025, the Group entered into a definitive agreement for the sale of TBI Bank EAD. Following the signing of the agreement and management's assessment that the sale was highly probable, the subsidiary met the criteria to be classified as disposal group held for sale.

Immediately prior to the classification of TBI Bank EAD as held for sale, the Group performed an impairment assessment in accordance with IAS 36, using the most recent cash generating unit assumptions applied in the annual impairment testing process. Based on this assessment, no additional impairment of goodwill was identified at the classification date.

Following the classification of TBI Bank EAD as held for sale, the disposal group, including the allocated goodwill, was measured in accordance with IFRS 5 at fair value less costs to sell (FVLCTS). The measurement was initially performed at the classification date and was subsequently updated at the reporting date, 31 December 2025, to reflect the most current information available.

Since TBI Bank EAD constitutes a major part of the TBI Financial Services operations and assets, then goodwill was fully allocated to TBI Bank EAD.

The sale of TBI Bank EAD was subsequently completed on 27 February 2026.

Up to 31 December 2024, goodwill was tested for impairment under IAS 36, using recoverable amount based on market-based valuation inputs. No impairment was recognized in those periods.

At 31 December 2025, following reclassification of TBI Bank EAD as held for sale, goodwill was assessed as part of disposal group's measurement of FVLCTS. FVLCTS for TBI Bank EAD were calculated based on the consideration specified in the signed share purchase agreement, including fair value of performance-based considerations.

FVLCTS amount was lower than the carrying amount for the disposal group, primarily due to profits generated during 2025 increasing the cash generating unit's (CGU) carrying amount, whereas FVLCTS remained constrained to the transaction price. As a result, the Group recognized an impairment loss, which was first allocated to goodwill. Following the recognition of impairment in 2025, the carrying amount of goodwill is nil.

Notes to the Consolidated Financial Statements

(24) Intangible assets and goodwill (continued)

Acquisition of Online Loans Pilipinas Financing, Inc

In 2022 the Group completed the acquisition of digital lender Online Loans Pilipinas Financing, Inc (Philippines) (OLP), effective 1 April 2022, by purchasing its holding company, Betont Pte, Ltd (Singapore). The Group acquired 100% of the business for EUR 6.6 million, with an additional EUR 4.9 million of funding to replace existing debt. The purchase price was paid in cash. An earn-out payment payable subject to 2022 audited IFRS net profit was estimated to be EUR 8 million and was paid in 2023 in full.

OLP is registered as a financing company with the Securities and Exchange Commission of the Philippines and offers both instalment and single payment loans with a range of related services.

The fair value of the purchase price was determined based on estimating future cash flows and using normalized net profit multipliers in range of scenarios. The acquisition was performed to enable the Group to enter a new market, restore geographic diversity and generate additional income. For the twelve months ended 31 December 2025, Online Loans Pilipinas Financing, Inc finance income amounted to EUR 11.4 million (2024: EUR 16.3 million), net profit amounted to EUR 0.1 million (2024: EUR 0.8 million).

Goodwill arising from the acquisitions was EUR 12 182 thousand as of purchase date. The goodwill allocated is revalued using the period end FX. As of 31 December 2025, the goodwill decreased by EUR 1 493 thousand (2024: EUR 185 thousands increase) compared to prior year and amounted to EUR 10 042 thousands (2024: EUR 11 535 thousands).

OLP goodwill impairment test

OLP was assessed as one cash generating unit and goodwill as of period end 2025 was EUR 10 042 thousand (2024: EUR 11 535 thousand). An impairment test was undertaken on this unit based on value in use calculated using future projected cashflows. The company continued to be profitable in the prior periods, and although in 2025 performance weakened due to higher impairment charges, OLP did not incur loss in the previous year. Management has initiated several operational and efficiency-focused measures aimed at stabilizing and improving performance. Based on the impairment test performed, the recoverable amount of OLP CGU exceeded its carrying amount, and therefore no impairment of goodwill was recognized.

The value in use was calculated using a discounted cash flow methodology based on future cash flows expected to be generated by the cash generating unit and discounted using a post-tax weighted cost of average capital (WACC) of 18% (rounded to the nearest whole number) (2024: 20%). In accordance with IAS 36, the implied pre-tax discount rate derived from the post-tax WACC is 24% (2024: 27%) Three years of cash flow were included in the discounted cash flow model. A long-term growth rate into perpetuity was determined as 2% (2024: 2%). Based on the impairment test performed, the recoverable amount of the CGU exceeded its carrying amount by approximately EUR 3.1 million. A 1% reduction in assumed portfolio CAGR, with all other assumptions held constant, would reduce the recoverable amount by approximately EUR 1.2 million (9%). Similarly, a 1% increase in net impairment vs Gross portfolio rate would reduce the recoverable amount by approximately EUR 1.9 million (14%). A combination of such adverse changes would eliminate the headroom and result in an impairment.

Notes to the Consolidated Financial Statements**(25) Deferred tax assets**

Deferred tax relates to the following temporary differences and tax losses carried forward. Movement in temporary differences and tax losses carried forward during the period ended 31 December 2025:

	Net balance 1 January 2025	Recognized in profit or loss of continued operations	Recognized in profit or loss of discontinued operations	Effect of exchange rate fluctuations	Transfer to assets held for sale	Net balance of continuing operations 31 December 2025
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Impairment losses on loans and receivables	3 812	(348)	-	(55)	-	3 409
Property and equipment	22	(42)	-	(8)	-	(28)
Other liabilities	715	73	115	20	(470)	452
Tax loss carry-forwards	10 330	(822)	(955)	(133)	(2 100)	6 319
Net deferred tax assets	14 879	(1 140)	(840)	(176)	(2 570)	10 152

Movement in temporary differences and tax losses carried forward during the period ended 31 December 2024:

	Net balance 1 January 2024	Recognised in profit or loss	Effect of exchange rate fluctuations	Net balance 31 December 2024	Deferred tax assets
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Impairment losses on loans and receivables	3 383	480	(51)	3 812	3 812
Property and equipment	13	11	(1)	22	22
Other liabilities	755	(45)	5	715	715
Tax loss carry-forwards	9 365	1 080	(116)	10 330	10 330
Net deferred tax assets	13 516	1 526	(163)	14 879	14 879

Notes to the Consolidated Financial Statements

(25) Deferred tax assets (continued)

The Group has recognized deferred tax assets from continued operations in amount of EUR 10 152 thousand (31 December 2024: EUR 14 879 thousand) in Bulgaria, Czech Republic, Lithuania, Luxembourg, Philippines and Spain.

Deferred tax assets of continued operations coming from tax losses carried forward as at 31 December 2025 related to Luxembourg, Philippines and Lithuania, totaled EUR 6 319 thousand (31 December 2024: EUR 10 329 thousand relating to Luxembourg, Philippines and TBI Financial Services' Greece entity). The Group has prepared detailed financial projections for these entities covering next 1-3 years. Based on these projections and the Group's history of utilizing deferred tax assets in other countries, management expects that the Group will be able to fully utilize these tax losses over the forthcoming years.

EUR 5 829 thousand deferred tax asset is recognized on tax loss having expiry period more than 5 years. And EUR 490 thousand deferred tax asset is recognized on tax loss having expiry period within 5 years.

The main reasons for the decrease of deferred tax asset value of continued operations in the reporting period compared to year 2024 are:

- DTA decrease by EUR 930 thousand in Wikipro SA de CV, Mexico from DTA de-recognition;
- DTA decrease by EUR 650 thousand in Peso Redee Financing Co. Inc., Philippines due to DTA reduction on impairments and partially on historical tax loss as well as no new DTA recognised;
- DTA increase by EUR 442 thousand in Credit Services UAB, Lithuania due to DTA recognition on tax loss for 2025 as well as 2024;
- DTA decrease by EUR 211 thousand in 4finance Spain Financial Services S.A.U., Spain mainly due to DTA reduction on impairments.

The Group classified TBI Bank EAD as disposal group as at 31 December 2025. The deferred tax asset related to the disposal group at 31 December 2025 amounts to EUR 2 570 thousand and is presented within the disposal group assets. Further details are provided in Note 14.

Notes to the Consolidated Financial Statements

(26) Loans and borrowings

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Long term		
Notes	126 200	299 446
MREL eligible instruments	-	29 459
	126 200	328 905
Short term		
Notes	131 252	2 629
MREL eligible instruments	-	569
	131 252	3 198
Total	257 451	332 104

Detailed information regarding loans and borrowings, net of unamortised issuance costs, can be seen below:

	Maturity	Interest rate	Principal amount		Accrued interest	
			31.12.2025	31.12.2024	31.12.2025	31.12.2024
			EUR'000	EUR'000	EUR'000	EUR'000
Notes:						
EUR 2026 Notes	Oct 2026	10.75%	128 485	123 692	2 511	2 434
EUR 2028 Notes	May 2028	11.25%	124 965	123 874	1 489	1 489
TBI Notes	Dec 2026	9.00%	-	20 000	-	7
TBI Notes	Jun 2026	9.00%	-	10 000	-	424
TBI Notes	Jul 2031	5.25%	-	10 000	-	159
TBI Notes	Sep 2026	9.50%	-	9 996	-	-
Notes Total:			253 450	297 562	4 001	4 514
MREL eligible instruments:						
MREL eligible instruments	Oct 2026 - Aug 2028	5.00%- 7.00%	-	29 459	-	569
MREL eligible instruments Total:			-	29 459	-	569
			253 450	327 021	4 001	5 082

As of 31 December 2025, the Group had loans and borrowings of EUR 257 451 thousand, compared with EUR 332 104 thousand as of 31 December 2024. As of 31 December 2025, the 4finance S.A. holds €36.0 million of its EUR 2026 bonds and €4.3 million of its EUR 2028 bonds in treasury.

In May 2016, 4finance S.A. issued EUR 100.0 million of 11.25% notes (the 'EUR 2028 Notes') which are senior to all of the Group's future subordinated debt. The 2028 Notes are listed on the Prime Standard regulated market segment of the Frankfurt Stock Exchange and Nasdaq Baltic First North market. In November 2016, a further EUR 50.0 million of EUR Notes were issued at par, and the maturity was extended in 2020, 2021 and 2023. The Group also has cancelled EUR 15.0 million of these bonds, so the outstanding amount is EUR 135 million, and they mature in May 2028.

In July 2021, TBI Bank EAD issued €10.0 million of 5.25% 10 year notes, in June 2023 issued €10.0 million of 9.0% 3 year notes, in December 2023 issued €10.0 million of 9.5% 3 year notes and in June 2024 issued

Notes to the Consolidated Financial Statements

(26) Loans and borrowings (continued)

€20.0 million of 9.00% 2.5 year notes (the 'TBI Notes'). The Notes are listed on the Bulgarian Stock Exchange and will mature in July 2031, June 2026, September 2026 and December 2026.

In October 2021, 4finance S.A. issued EUR 175.0 million of 10.75% 5 year notes (the 'EUR 2026 Notes'). The Notes are listed on the Oslo Stock Exchange and will mature in October 2026. The proceeds from the new issue were used to repay the Group's outstanding \$200 million USD bonds.

In Q4 2022, TBI Bank EAD issued €20.7 million of MREL (minimum requirement for own funds and eligible liabilities, set by the regulator for TBI Bank EAD) eligible instruments with interest rates in range from 5% to 7% and terms from 4 to 5 years. Attraction of these instruments allows the bank to meet the regulatory requirement for the MREL ratio (including capital and other MREL eligible instruments).

The Group is always considering alternatives for financing, including actively managing liquidity risks and strengthening its long-term capital structure.

Reconciliation of movements of liabilities to cash flow arising from financing activities is detailed in the table below:

	Notes	MREL
	EUR'000	EUR'000
Balance at 1 January 2025	302 075	30 028
Loans received and notes issued	98 047	30 000
Repayment of loans and notes	(30 000)	-
Total changes from financing cash flows	68 047	30 000
Other changes		
Liability-related		
Interest payments	(33 238)	(1 739)
Costs of notes issuance and premium on repurchase of notes	1 838	-
Interest expense	34 804	2 198
Transfer to liabilities held for sale	(116 075)	(60 486)
Total liability-related other changes	(112 671)	(60 027)
Total equity-related other changes	-	-
Balance at 31 December 2025	257 451	-

Notes to the Consolidated Financial Statements

(27) Deposits from customers

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Corporate customers		
Term deposits	-	43 686
Current/settlement accounts	-	24 910
Individuals		
Term deposits	-	1 116 355
Current/settlement accounts	-	150 263
Total	-	1 335 213

As at 31 December 2025 TBI Bank EAD deposits from customers are transferred to Liabilities directly associated with assets classified as held for sale (Note 14) in the balance sheet. As a credit institution, deposits are a normal part of the activity of TBI Financial Services, it provides only fixed rate deposits, most of which mature within 12 months. The average cost on these deposits for TBI Financial Services during 2025 was 3.8% (2024: 3.3%) per annum (average costs includes interest expense on deposits divided by current account and term deposit balances regardless of maturity, currency and geographic location).

The activity of applying measures against money laundering and terrorist financing in TBI Financial Services is performed by Compliance Departments in Bulgaria and its Romanian Branch. The departments perform functions of specialized unit for control and prevention of money laundering and terrorist financing (CPMLTF) under the local legislation requirements and properly identifies and verifies the identity of its customers. For the transactions monitoring a specialized software is used, where suspicious transactions and counterparties are assessed and controlled.

(28) Other liabilities

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Accrued expenses	15 831	17 306
Accrued payables to employees	7 786	15 032
Right-of use liabilities	2 666	6 897
Taxes payable	1 533	3 883
Accounts payable to trade partners	1 367	19 841
Overpayments received from clients	843	557
Faulty payments received	588	602
Prepayments in TBI received on customer loans	-	27 955
FX hedging liabilities	-	26
Other liabilities	585	6 641
	31 198	98 740

Accrued expenses include expenses for marketing costs, loan application processing costs, communication expenses, debt collection expenses, and IT expenses.

The year-on-year decrease is related to TBI Bank EAD being classified as liabilities held for sale.

Notes to the Consolidated Financial Statements

(29) Share capital

The share capital of the Group as of 31 December 2025 was EUR 35 750 thousand (31 December 2024: EUR 35 750 thousand), divided into 3 575 000 000 ordinary shares (31 December 2024: 3 575 000 000 shares) with nominal value of EUR 0.01 each (31 December 2024: EUR 0.01), fully paid via a contribution-in-kind.

The holders of ordinary shares are entitled to receive dividends as declared from time-to-time and are entitled to one vote per share at annual and general meetings of the Group. All ordinary shares rank equal in their entitlement to the Group's residual assets.

Equity includes a negative reorganization reserve of EUR 31 240 thousand (31 December 2024: EUR 31 240 thousand) which mainly reflects the difference between the share capital of 4finance Holding S.A. and the paid in share capital of AS 4finance prior to the legal reorganization conducted in 2014 and 2015.

As at 31 December 2025, the Company's shareholder was 4finance Group S.A. (100% ownership of ordinary shares, corresponding to 100% of total share capital) owned by Acreon Capital Limited (Cyprus) directly. Acreon Capital Limited changed its name from Tirona Limited on 20 December 2025.

The significant beneficial owner of the Group is Edgars Dupats owning 29.4971% in Acreon Capital Limited as of 31 December 2025 (2024: Edgars Dupats 29.4971%). The remaining 70.5029% (2024: 70.5029%) are owned by minority shareholders, each holding less than 10% of shares in Acreon Capital Limited.

(30) Contingent liabilities and irrevocable commitments

There are no provisions for contingent liabilities recognised in 4finance Group at 31 December 2025.

Please refer to Note (35) Litigations for disclosure of contingent liabilities in relation to litigations.

In 2025 TBI Financial Services contingent liabilities are related to its commitments to extend loans, credit lines, letters of credits and guarantees intended to meet the requirements of the bank's customers. Contingencies on loans and credit lines extended by TBI Financial Services represent contractual commitments to unconditionally provide a specified amount to the customer under the provisions of the loan agreement, in the part related to utilisation, as well as an obligation of TBI Financial Services to maintain amounts available up to those agreed in the credit line agreements. Upon expiry of the fixed deadline, the obligation, regardless of whether utilised or not, expires as well as the contingency for TBI Financial Services. Guarantees and letters of credit oblige TBI Financial Services, if necessary, to make a payment on behalf of the customer, if the customer fails to discharge its obligations within the term of the agreement. At that time, TBI Financial Services recognises the provision in its financial statements for the period of the occurred change.

The contingent liabilities and irrevocable commitments (except operating lease commitments) of TBI Financial Services at 31 December 2025 are as follows:

	31.12.2025 EUR'000	31.12.2024 EUR'000
Guarantees		
Corporate clients	155	133
Undrawn credit commitments:		
Corporate clients	96 275	48 904
Individuals	219 929	158 099
	<u>316 359</u>	<u>207 135</u>

Notes to the Consolidated Financial Statements

(31) Right-of-use assets and lease liabilities

The Group leases mainly office premises and vehicles. The leases typically run for a period from 1 to 5 years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rent rates.

As at 31 December 2025 the Group classified TBI Bank EAD right-of-use assets with a carrying amount of EUR 6 185 thousand to assets held for sale. These assets relate to office premises and vehicles.

Information about leases for which the Group is a lessee is presented as follows at 31 December 2025:

Right-of-use asset	Building and land EUR'000	Motor Vehicles EUR'000	Total EUR'000
Balance at 1 January 2025	5 819	957	6 777
Depreciation charge for the period	(3 118)	(507)	(3 625)
Additions to right-of-use assets	5 842	567	6 409
Modification of right-of-use assets	19	0	20
Derecognition of right-of-use assets	(903)	59	(844)
Currency revaluation reserve	(22)	(11)	(33)
Transfer to assets held for sale	(5 151)	(1 034)	(6 185)
Balance at 31 December 2025	2 487	31	2 518

Information about leases for which the Group is a lessee is presented as follows at 31 December 2024:

Right-of-use asset	Building and land EUR'000	Motor Vehicles EUR'000	Total EUR'000
Balance at 1 January 2024	6 291	922	7 213
Depreciation charge for the period	(2 789)	(568)	(3 357)
Additions to right-of-use assets	3 302	600	3 903
Modification of right-of-use assets	176	17	193
Derecognition of right-of-use assets	(1 160)	(15)	(1 175)
Currency revaluation reserve	(0)	1	1
Balance at 31 December 2024	5 819	957	6 777

Discounted lease liabilities are presented as follows:

	31.12.2025	31.12.2024
Current	455	3 044
Non-current	2 211	3 854
Total	2 666	6 897

Weighted average incremental borrowing rate in 2025 was 3.01% (2024: 2.82%).

Notes to the Consolidated Financial Statements

(31) Right-of-use assets and lease liabilities (continued)

For continuing operations in 2025, EUR 843 thousand (2024: EUR 796 thousand) was recognized as a net expense in the income statement in respect of operating leases including EUR 144 thousand (2024: EUR 88 thousand) of interest expenses. Sublease income in 2025 was EUR 1 thousand (2024: EUR 4 thousand). Modification gain in 2025 was EUR 1 thousand (EUR 88 thousand in 2024).

In 2025, cash outflow for leases was EUR 3 657 thousand (2024: EUR 4 299 thousand).

(32) Related party transactions

(a) Transactions with parent and the related entities

Receivables:	31.12.2025	31.12.2024
	EUR'000	EUR'000
Loans issued to related parties (Note 19)	10 142	9 310
Other receivable	1 225	1 288
	11 367	10 598
Payables:	31.12.2025	31.12.2024
	EUR'000	EUR'000
Other payables	-	2
	-	2
Income:	2025	2024
	EUR'000	EUR'000
Interest income (Note 6)	1 444	2 889
Income from sale of subsidiaries	-	1 580
Income from services rendered	545	427
	1 989	4 896
Expense:	2025	2024
	EUR'000	EUR'000
Expense for services received	45	332
	45	332

(b) Transactions with associated companies

Receivables:	31.12.2025	31.12.2024
	EUR'000	EUR'000
Loans issued to related parties (Note 19)	45 836	10 326
	45 836	10 326
Income:	2025	2024
	EUR'000	EUR'000
Interest income (Note 6)	3 949	59
	3 949	59

Notes to the Consolidated Financial Statements**(32) Related party transactions (continued)***(c) Transactions with other related parties*

Receivables:	31.12.2025	31.12.2024
	EUR'000	EUR'000
Loans issued to related parties (Note 19)	4 464	1 046
Other receivable	25	16
	4 489	1 062
Income:	2025	2024
	EUR'000	EUR'000
Interest income (Note 6 and Note 8)	241	97
Income from services rendered	43	10
	284	107
Expense:	2025	2024
	EUR'000	EUR'000
Expense for services received	71	-
	71	-
Total remuneration included in administrative expenses:	2025	2024
	EUR'000	EUR'000
Executive committee and Board members	2 863	2 698
	2 863	2 698

There are no outstanding balances as of 31 December 2025 with members of the Group's Management Board (the Board) or Executive Committee.

There are no emoluments granted to the members of the Board and commitments in respect of retirement pensions for former members of the Board.

On 1 January 2018, the Parent company of the Group established a share option program that entitles senior management personnel to purchase shares of the Parent, see Note (33) Personnel costs.

As at 31 December 2025, the share based payment reserve totaled EUR 2 048 thousand (31 December 2024: EUR 2 048 thousand). There was no expense recorded in 2025 and 2024.

Notes to the Consolidated Financial Statements

(33) Personnel costs

	2025	2024
	EUR'000	EUR'000
		Restated
Type of costs		
Remuneration	20 752	22 615
Compulsory state social security contributions, pensions and other social security expenses	5 853	5 565
Other personnel costs	3 399	3 282
	<u>30 004</u>	<u>31 462</u>

Share-based payment arrangements

At 31 December 2025, the Group had the following share-based payment arrangements.

Equity-settled share option program

On 1 January 2018, the Parent company of the Group established a share option program that entitles senior management personnel to purchase shares of the Parent. In accordance with this program, holders of the vested options are entitled to purchase Parent company shares at their nominal value.

The terms and conditions of the grants are as follows and are settled by physical delivery of shares by the Parent company, option grants have initial contractual life of 10 years.

<u>Grant date/employees entitled</u>	<u>Number of instruments</u>	<u>Vesting conditions</u>	<u>Remaining contractual life</u>
Option grant to senior management at 1 January 2018	4 320	Quarterly in equal instalments over a three-year period starting on the grant date, subject to the continued employment	2 years
Option grant to senior management at 1 January 2019	7 838	Quarterly in equal instalments over a three-year period starting on the grant date, subject to the continued employment	3 years
Option grant to senior management at 1 January 2020	5 890	Quarterly in equal instalments over a three-year period starting on the grant date, subject to the continued employment	4 years

Measurement of fair values - share options

The fair value of services received in return for share options granted is based on the fair value of share options at the grant date, which are equal to diluted Parent company's share value, estimated primarily using market multiple approach.

<u>Fair value of share options</u>	<u>Granted 1 Jan 2020</u>	<u>Granted 1 Jan 2019</u>	<u>Granted 1 Jan 2018</u>
Share option fair value at grant date	EUR 127.27	EUR 127.14	EUR 128.14
Parent company share value at grant date	EUR 127.28	EUR 127.15	EUR 128.15
Exercise price	EUR 0.01	EUR 0.01	EUR 0.01

As at 31 December 2025 no options were exercised, expired or forfeited (2024: 0). No options were cancelled during 2025, therefore, the total cumulative number of cancelled options remained 3 081 (2024: 3 081), the total cumulative number of exercisable options remained 14 967 (2024: 14 967). In 2025 no new share option agreements were granted.

Notes to the Consolidated Financial Statements

(34) Litigations

4finance Group has recognised EUR 12.2 million provisions in Spain as of 31 December 2025 (EUR 13.3 million as of 31 December 2024), relating to a number of customer redress claims mostly for usurious interest rates brought against 4finance Group. In 2025, the provision was reduced by EUR 1.1 million net after provision reversal made in amount of EUR 0.2 million.

The Group expects that in future there could be more claims and considers it as a contingent liability, however there is uncertainty about the amount or timing of it. Consequently, the Group did not recognise a provision for the contingent liability element.

In Spain there is no specific applicable legislation regarding interest rates. However, in the past periods, the majority of such cases were decided in favour of customers based on a Spanish Supreme Court ruling from 2015 and subsequent rulings in 2020, 2022, 2023 and 2024 about usury in a different segment of consumer lending.

As such, the Group took the approach of provisioning for each lawsuit based on the average historic amounts paid to the clients and legal fees. It takes about 24 months on average for a court to issue a judgement after a lawsuit is initiated. Considering this, in 2025, time value discounting of lawsuits provision was at 15%. Starting from 2019 and continuing throughout 2025, with the help of the Spanish Micro Loan Association which provides the appropriate reference rate for the specific product along with the publication of rates by the Consumer Institute attached to Castilla La-Mancha University, 4finance Group is applying strong efforts to defend its legal position. Spanish courts are increasingly identifying procedural bad faith among attorneys filing consumer claims, leading to a continued decline in the average legal fees awarded in these lawsuits. In January 2025 the first instance court in Palencia issued a ruling declaring that one of the attorneys representing consumers had abused procedural rights by initiating more lawsuits than necessary and ordering him to pay damages to 4finance Spain Financial Services S.A.U.

The Spanish Micro Loan Association has been working to raise public awareness of the systematic misapplication of the rates published by the Bank of Spain.

In February 2025, the Consumer Rights Protection Centre (hereinafter the “CRPC”) decided to impose a EUR 285 thousand penalty on 4finance AS., Latvian entity, for allegedly failing to conduct sufficient solvency checks when issuing loans, mainly due to the use of a single credit bureau. The Group does not agree with the conclusion and appealed the CRPC’s decision in March 2025 at the court of first instance. This process is likely to take at least two years.

Under the Consumer Rights Protection Law, there is the technical possibility for a class action lawsuit for cases such as this. It would need to be initiated by a qualified institution, i.e. the Latvian Consumer Rights Protection Association (LPIAA). As of the date of this report the LPIAA has not filed a lawsuit, but the Group acknowledges the existence of a potential contingent liability. Given the lack of clarity in the law regarding the obligation to use the second credit bureau and the ongoing court case with the CRPC on their recent decision, the Group believes it is not reasonably possible to estimate the likelihood of a successful class action

Notes to the Consolidated Financial Statements

(34) Litigations (continued)

claim or the resulting exposure. Consequently, the Group does not recognise a provision for the contingent liability element.

TBI Bank EAD faced a claim for allegedly due but unpaid lawyer fees to Right Decision EOOD for EUR 0.8 million. In 2020, TBI Bank EAD won the case in the first instance court, and then again in 2022 in the second instance court. On 7 March 2025 the Supreme Court made a final decision in favour of TBI Bank EAD, dismissing Right Decision EOOD's claim entirely.

(35) Fair value of financial instruments

(a) Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 EUR'000	Level 2 EUR'000	Level 3 EUR'000	Total EUR'000
31 December 2025				
Financial assets				
Derivatives	-	94	-	94
Debt and Equity investments	-	-	12	12
	-	94	12	105
Financial liabilities				
Derivatives	-	474	-	474
31 December 2024				
Financial assets				
Derivatives	-	34	-	34
Debt and Equity investments	222 590	-	55	222 645
	222 590	34	55	222 679
Financial liabilities				
Derivatives	-	296	-	296

Notes to the Consolidated Financial Statements

(35) Fair value of financial instruments (continued)

(b) Financial instruments not measured at fair value

The table below analyses the fair values of financial instruments not measured at fair value, by the level in the fair value hierarchy into which each fair value measurement is categorised:

31 December 2025	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial assets					
Cash and cash equivalents	-	-	-	37 986	37 986
Net receivables due from customers	-	-	158 737	158 737	150 648
Debt and Equity instruments	-	-	16 115	16 115	17 747
Net loans to related parties	-	-	58 239	58 239	60 443
Net loans to other parties	-	-	1 248	1 248	785
Investments in associates and joint ventures	-	-	0	0	0
Other financial assets	-	-	11 039	11 039	11 039
Financial liabilities					
Loans and borrowings	-	263 550	-	263 550	257 451
Other financial liabilities	-	-	17 475	17 475	17 475
31 December 2024	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial assets					
Cash and cash equivalents	-	-	-	294 735	294 735
Placements with other banks	-	-	40 472	40 472	40 472
Net receivables due from customers	-	-	1 303 826	1 303 826	1 315 927
Debt and Equity instruments	-	-	15 753	15 753	16 402
Net investments in finance leases	-	-	869	869	855
Net loans to related parties	-	-	21 250	21 250	20 683
Net loans to other parties	-	-	2 686	2 686	2 480
Investments in associates and joint ventures	-	-	561	561	561
Other financial assets	-	-	42 317	42 317	42 317
Financial liabilities					
Loans and borrowings	-	258 525	80 614	339 140	332 104
Deposits from customers	-	-	1 315 647	1 315 647	1 335 213
Other financial liabilities	-	-	81 609	81 609	81 609

Notes to the Consolidated Financial Statements

(35) Fair value of financial instruments (continued)

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value (Level 2)

Type	Valuation technique	Significant unobservable inputs
Derivatives, Debt and Equity investments	The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments	Not applicable

Financial instruments measured at fair value (Level 3)

Type	Valuation technique	Significant unobservable inputs
Debt and Equity investments	The fair value of unquoted equity instruments measured at fair value is calculated by: 1) using valuation reports of third parties based on the investee's net assets and management makes no further adjustments, 2) using valuation report made internally based on discounted future net cash flow model or multipliers, and 3) assessment of net assets adjusted, if necessary.	Not applicable

Financial instruments not measured at fair value for Level 3

Type	Valuation technique	Significant unobservable inputs
Other borrowed funds, loans due from customers, deposits due to customers, other assets and other liabilities	Discounted cash flows	Credit spreads

Bonds issued by the Group have been classified as Level 2 fair value measurement given that there are observable market quotations in markets, however, the market for the bonds is not assessed as an active market. Fair value of the bonds has been determined based on observable quotes. TBI Bank EAD issued MREL eligible instruments have been classified as Level 3 fair value measurement where fair value is calculated by discounting cash flows with year-end market interest rate.

No level of fair value has been assigned for cash and cash equivalents on the basis that these are available on demand and therefore no modelling of fair value is required.

Loans and receivables have been classified as a Level 3 fair value measurement and the fair value is determined based on money market rates adjusted for a relevant credit spread determined by the Group.

The fair value of deposits from customers has been determined with reference to the Group's borrowing costs and has been determined to be a Level 3 fair value measurement.

The remaining financial assets and financial liabilities have been classified as Level 3 fair value measurements. Due to their short-term nature, no significant fair value difference from carrying amount is expected.

Notes to the Consolidated Financial Statements

(36) Operating segments from continuing operations

The Group is organised into six material reportable segments by their geographic location, all smaller segments are reported under other segments. Each segment is managed separately because they require different market strategies. For each of the segments, the Group's Management Board reviews internal management reports on at least a monthly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss, as included in internal management reports that are reviewed by the Management Board. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results and benchmarking to other entities that operate within these industries.

Analysis by segment

Information about reportable segments

Segment information for the main reportable business segments of the Group for the period ended 31 December 2025 is set out below:

EUR'000	Spain	Philippines	Latvia	Czech Republic	Sweden	Lithuania	All other segments*	Total Segments	Adjustments and eliminations	Consolidated
Interest income	90 257	15 588	30 518	23 532	2 784	4 822	50 853	218 354	(36 433)	181 921
Other operating income	-	17 012	-	-	21	514	219	17 766	1 371	19 137
Interest expense	(4 622)	(952)	(6 900)	(2 375)	(612)	(2 414)	(32 654)	(50 529)	20 433	(30 096)
Net impairment losses on loans and receivables	(44 145)	(21 368)	(4 464)	(5 527)	(525)	(220)	(2 000)	(78 249)	-	(78 249)
Depreciation and amortization	(411)	(60)	(550)	(710)	(1)	(508)	(783)	(3 023)	(1)	(3 024)
Income tax for the reporting period	(3 869)	(613)	(2 563)	(878)	-	442	(622)	(8 103)	-	(8 103)
Reportable segment profit/ (loss) before tax	15 445	(1 033)	7 481	4 009	(670)	(798)	(13 251)	11 183	345	11 528
Reportable segments assets	57 412	11 614	78 468	26 073	4 615	20 435	949 027	1 147 644	(827 444)	320 200
Reportable segments liabilities	45 106	9 615	42 245	19 445	4 347	18 483	526 282	665 523	(371 672)	293 851

*The main contributors to All other segments are 4finance Holding S.A. and 4finance S.A.

Key positions for All other segments are debt and equity investments and loans to related parties under Assets, loans and borrowings under Liabilities.

Notes to the Consolidated Financial Statements**(36) Operating segments from continuing operations (continued)**

Restated segment information for the main reportable business segments of the Group for the period ended 31 December 2024 is set below:

EUR'000	Spain	Philippines	Latvia	Czech Republic	Sweden	Lithuania	All other segments*	Total Segments	Adjustments and eliminations	Consolidated
Interest income	90 233	25 472	35 586	24 380	4 146	1 823	42 433	224 073	(27 356)	196 717
Other operating income	-	21 628	33	-	43	2 446	2	24 152	7	24 159
Interest expense	(4 925)	(919)	(7 737)	(2 084)	(670)	(850)	(31 271)	(48 456)	18 905	(29 551)
Net impairment losses on loans and receivables	(42 962)	(33 095)	(10 363)	(3 838)	(648)	(1 132)	(1 391)	(93 429)	(967)	(94 396)
Depreciation and amortization	(559)	(71)	(852)	(664)	(1)	(350)	(2)	(2 499)	(212)	(2 711)
Income tax for the reporting period	(3 512)	46	(187)	(1 602)	-	(7)	1 620	(3 642)	19	(3 623)
Reportable segment profit/ (loss) before tax	9 852	(1 349)	4 639	6 559	141	(2 712)	(13 969)	3 161	1 511	4 672
Reportable segments assets	62 048	16 580	166 800	26 915	5 380	11 943	2 639 878	2 929 544	(857 137)	2 072 407
Reportable segments liabilities	53 418	12 461	58 019	18 647	4 479	11 634	2 016 430	2 175 088	(397 379)	1 777 709

*The main contributors to All other segments are 4finance Holding S.A. and 4finance S.A.

Key positions for All other segments are receivables due from customers, debt and equity investments and loans to related parties under Assets, deposits from customers and loans and borrowings under Liabilities.

In 2025, the Group classified TBI Bank EAD as a discontinued operation. As neither TBI Bank EAD nor TBI Financial Services represents a separate operating segment for management reporting purposes, the segment information for 2024 has been restated to present the assets and liabilities of TBI Bank EAD and TBI Financial Services within All other segments. Additionally, the result of TBI Financial Services is included in the Reportable segment profit/ (loss) before tax for All other segments.

Notes to the Consolidated Financial Statements**(36) Operating segments from continuing operations (continued)**

A segment breakdown of interest income is divided by consumer products which include Single Payment Loans (with a term from one day up to 61 days), Instalment Loans (with a term from one month up to 60 months), Minimum to Pay Loans (open-ended revolving credit line with a minimum monthly repayment and flexible additional repayment), and Near Prime (with a term from three months up to 84 months) as well as interest income from Corporate Loans and from bank deposits.

A segment breakdown of interest income by products of the Group for the period ended 31 December 2025 is set out below:

EUR'000	Spain	Philippines	Latvia	Czech Republic	Sweden	Lithuania	All other segments	Total Segments
Single Payment Loans	64 927	12 717	-	18 011	-	-	6 831	102 486
Instalment Loans	25 161	2 862	12 249	3 831	1	7	573	44 684
Minimum to Pay Loans	-	-	16 707	1 554	2 783	-	-	21 044
Near Prime	-	-	1 407	-	-	4 815	-	6 222
Corporate Loans	-	-	-	-	-	-	6 860	6 860
Interest from banks	169	9	155	136	-	-	156	625
Total	90 257	15 588	30 518	23 532	2 784	4 822	14 420	181 921

Notes to the Consolidated Financial Statements**(36) Operating segments from continuing operations (continued)**

A restated segment breakdown of interest income by products of the Group for the period ended 31 December 2024 is set out below:

EUR'000	Spain	Philippines	Latvia	Czech Republic	Sweden	Lithuania	All other segments	Total Segments
Single Payment Loans	70 565	21 359	-	19 461	-	5	1 037	112 428
Instalment Loans	19 482	4 112	14 577	3 541	2	4	218	41 937
Minimum to Pay Loans	-	-	18 483	1 314	4 143	-	124	24 064
Near Prime	-	-	2 504	-	-	1 810	102	4 416
Corporate Loans	-	-	-	-	-	-	7 692	7 692
Interest from banks	186	1	22	64	-	4	457	734
Total	90 233	25 472	35 586	24 380	4 146	1 823	9 631	191 270

Notes to the Consolidated Financial Statements

(36) Operating segments from continuing operations (continued)

Reconciliation of reportable segment interest income

	2025	2024
	EUR'000	Restated EUR'000
Total interest income for reportable segments	167 501	181 640
Interest income for other operating segments	50 853	42 433
Adjustments and eliminations	(36 433)	(27 356)
Consolidated revenue	181 921	196 717

Reconciliation of reportable segment profit or loss before tax

	2025	2024
	EUR'000	Restated EUR'000
Total profit or loss for reportable segments	24 434	17 130
Profit or loss for other operating segments	(13 251)	(13 969)
Adjustments and eliminations	345	1 511
Consolidated profit before tax	11 528	4 672

Reconciliation of reportable segment interest expense

	2025	2024
	EUR'000	Restated EUR'000
Total interest expense for reportable segments	17 875	17 185
Interest expense for other operating segments	32 654	31 271
Adjustments and eliminations	(20 433)	(18 905)
Consolidated interest expense	30 096	29 551

Reconciliation of reportable segment assets

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Total assets for reportable segments	198 617	289 666
Assets for other operating segments	949 027	2 639 878
Elimination of inter-group loans, investments and other receivables	(827 444)	(857 137)
Consolidated total assets	320 200	2 072 407

Reconciliation of reportable segment liabilities

	31.12.2025	31.12.2024
	EUR'000	EUR'000
Total liabilities for reportable segments	139 241	158 658
Liabilities for other operating segments	526 282	2 016 430
Adjustments and eliminations	(371 672)	(397 379)
Consolidated total liabilities	293 851	1 777 709

Notes to the Consolidated Financial Statements

(37) Maturity analysis

The table below shows carrying amounts of financial assets and liabilities by remaining contractual maturity dates as at 31 December 2025. 4finance Group's Minimum to Pay Loans without fixed maturity are shown as less than 1 month as they can be repaid at any time and usage is typically short-term.

Assets EUR'000	On demand/ less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	More than 5 years	Overdue	TOTAL
Cash and cash equivalents	37 986	-	-	-	-	-	-	37 986
Net receivables due from customers	59 749	7 299	5 597	8 998	42 775	2 733	23 497	150 648
Net loans to related parties	-	14 468	10 142	32 008	3 826	-	-	60 443
Net loans to other parties	-	245	-	-	-	-	539	785
Derivatives	46	44	3	-	-	-	-	94
Debt and equity investments	-	-	-	-	-	12	17 747	17 759
Assets held for sale	313 863	69 287	290 971	-	1188 251	417	175 751	2 038 540
Other financial assets	8 169	-	-	-	2 870	-	-	11 039
Total financial assets	419 814	91 343	306 712	41 006	1 237 722	3 162	217 534	2 317 294
Liabilities EUR'000	On demand/ less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	More than 5 years	Overdue	TOTAL
Loans and borrowings	-	1 489	2 511	127 251	126 200	-	-	257 452
Derivatives	97	281	96	-	-	-	-	474
Liabilities directly associated with assets classified as held for sale	658 940	212 200	515 537	-	398 421	36 084	-	1 821 182
Other financial liabilities	6 352	7 770	385	595	1 675	699	-	17 475
Total financial liabilities	665 389	221 740	518 531	127 845	526 295	36 783	-	2 096 584
Net position	(245 575)	(130 397)	(211 818)	(86 840)	711 427	(33 621)	217 534	220 710
Net cumulative position	(245 575)	(375 972)	(587 790)	(674 630)	36 797	3 176	220 710	-

Notes to the Consolidated Financial Statements

(37) Maturity analysis (continued)

The table below shows financial assets and liabilities by remaining contractual maturity dates as at 31 December 2024. 4finance Group's Minimum to Pay Loans without fixed maturity are shown as less than 1 month as they can be repaid at any time and usage is typically short-term.

Assets EUR'000	On demand/ less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	More than 5 years	Overdue	TOTAL
Cash and cash equivalents	294 735	-	-	-	-	-	-	294 735
Placements with other banks	8 567	-	2 500	-	29 405	-	-	40 472
Net receivables due from customers	130 285	29 041	252 078	7 041	705 733	2 467	189 283	1 315 927
Net investments in finance leases	59	55	51	-	9	-	680	855
Net loans to related parties	-	5 649	-	436	14 598	-	-	20 683
Net loans to other parties	-	2 480	-	-	-	-	-	2 480
Derivatives	3	31	-	-	-	-	-	34
Investments in associates and joint ventures	-	-	-	-	-	561	-	561
Debt and equity investments	26 042	59 751	97 324	-	39 478	51	16 402	239 047
Other financial assets	39 519	-	-	-	2 798	-	-	42 317
Total financial assets	499 208	97 007	351 954	7 476	792 021	3 079	206 365	1 957 110
Liabilities EUR'000	On demand/ less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	More than 5 years	Overdue	TOTAL
Loans and borrowings	2 039	325	1 057	-	318 742	9 940	-	332 104
Deposits from customers	327 988	190 248	557 680	-	259 298	-	-	1 335 214
Derivatives	169	91	21	16	-	-	-	297
Other financial liabilities	39 804	27 594	8 948	498	3 894	872	-	81 609
Total financial liabilities	370 000	218 258	567 705	513	581 934	10 812	-	1 749 222
Net position	129 208	(121 251)	(215 751)	6 963	210 087	(7 733)	206 365	207 888
Net cumulative position	129 208	7 957	(207 794)	(200 831)	9 256	1 523	207 889	-

Notes to the Consolidated Financial Statements

(38) Analysis of financial liabilities' contractual undiscounted cash flows

The table below presents the cash flows payable by the Group under contractual financial liabilities, including derivative financial liabilities, by remaining contractual maturities as at the reporting date.

The amounts disclosed in the table are the contractual undiscounted cash flows in comparison with the carrying amounts of financial liabilities, comprising discounted cash flows as at the reporting date.

The analysis as at 31 December 2025:

31 December 2025	Carrying amount	Total nominal (inflow)/ outflow	On demand/ less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 12 months	More than 1 year
Non-derivative liabilities EUR'000							
Loans and borrowings	257 451	307 358	0	3 606	10 550	143 356	149 845
Liabilities directly associated with assets classified as held for sale	1 832 707	1 886 046	659 882	213 577	524 452	-	488 135
Other financial liabilities	17 475	17 475	6 352	7 770	385	595	2 374
Total	2 107 634	2 210 880	666 234	224 953	535 388	143 951	640 354

The analysis as at 31 December 2024:

31 December 2024	Carrying amount	Total nominal (inflow)/ outflow	On demand/ less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 12 months	More than 1 year
Non-derivative liabilities EUR'000							
Loans and borrowings	332 104	425 246	0	3 931	11 393	13 941	395 981
Deposits from customers	1 335 213	1 368 086	328 281	191 521	571 522	-	276 761
Other financial liabilities	81 609	81 609	39 804	27 594	8 948	498	4 766
Total	1 748 926	1 874 940	368 085	223 045	591 863	14 439	677 508

Notes to the Consolidated Financial Statements

(39) Currency analysis

The table below shows the currency structure of financial assets and liabilities as at 31 December 2025:

Assets EUR'000	BGN	CZK	EUR	PHP	RON	USD	Other	TOTAL
Cash and cash equivalents	504	4 866	29 038	1 874	-	138	1 566	37 986
Derivatives	-	-	94	-	-	-	-	94
Net receivables due from customers	2 454	13 725	123 216	5 353	-	-	5 900	150 648
Net loans to related parties	-	-	42 109	-	-	543	17 791	60 443
Net loans to other parties	-	-	556	-	-	-	228	785
Debt and equity investments	-	-	-	-	-	-	17 759	17 759
Other financial assets	8	171	8 898	1 918	-	-	44	11 039
Investments in associates	-	-	0	-	-	-	-	0
Assets held for sale	541 344	4	753 068	-	733 616	60 748	1 333	2 090 113
Total financial assets	544 311	18 766	956 978	9 146	733 616	61 428	44 622	2 368 867
Off-balance sheet - FX transactions only*	-	-	197 465	-	-	-	-	197 465
Liabilities EUR'000	BGN	CZK	EUR	PHP	RON	USD	Other	TOTAL
Loans and borrowings	-	-	257 451	-	-	-	-	257 451
Derivatives	-	-	474	-	-	-	-	474
Other financial liabilities	564	3 077	12 292	804	-	-	739	17 475
Liabilities directly associated with assets classified as held for sale	615 780	-	585 064	-	569 357	61 202	1 261	1 832 664
Total financial liabilities	616 343	3 077	855 282	804	569 357	61 202	2 000	2 108 065
Off-balance sheet - FX transactions only*	-	22 338	-	5 940	168 627	-	5 136	202 040
Net position (excluding off-balance sheet)	(72 033)	15 689	101 696	8 342	164 259	226	42 622	260 802
Net position (including off-balance sheet)	(72 033)	(6 649)	299 161	2 402	(4 368)	226	37 487	256 226

* Off-balance sheet – FX transactions also include disposal group’s RON forward foreign currency contracts.

Currency risk for continuing operations of the open positions in CZK, PHP and SEK is managed through the use of forward foreign currency contracts which minimize the adverse effects of currency exchange rate fluctuations. The Group monitors its foreign currency exposure to non-Euro based currencies on a regular basis and will, if deemed commercial, consider hedging some or all of any exposure arising.

Notes to the Consolidated Financial Statements

(39) Currency analysis (continued)

The table below shows the currency structure of financial assets and liabilities as at 31 December 2024:

Assets EUR'000	BGN	CZK	EUR	PHP	RON	USD	Other	TOTAL
Cash and cash equivalents	162 944	5 675	77 584	2 538	41 280	3 630	1 084	294 735
Placements with other banks	10 700	23	25 943	-	1 769	817	1 220	40 472
Derivatives	-	-	34	-	-	-	-	34
Net receivables due from customers	379 908	14 538	391 675	7 764	517 572	-	4 468	1 315 926
Net investments in finance leases	-	75	780	-	-	-	-	855
Net loans to related parties	-	-	15 101	-	-	436	5 145	20 683
Net loans to other parties	-	-	2 480	-	-	-	-	2 480
Debt and equity investments	30 391	-	141 791	-	-	50 461	16 404	239 047
Other financial assets	12 473	413	13 059	3 104	12 595	-	685	42 330
Investments in associates	-	-	561	-	-	-	-	561
Total financial assets	596 416	20 724	669 010	13 407	573 216	55 343	29 007	1 957 123
Off-balance sheet - FX transactions only	-	-	60 266	-	-	-	-	60 266
Liabilities EUR'000	BGN	CZK	EUR	PHP	RON	USD	Other	TOTAL
Loans and borrowings	9 534	-	322 570	-	-	-	-	332 104
Deposits from customers	472 790	-	358 707	-	448 126	54 429	1 161	1 335 213
Derivatives	-	-	297	-	-	-	-	297
Other financial liabilities	24 212	2 511	23 427	1 521	29 134	33	771	81 609
Total financial liabilities	506 535	2 511	705 001	1 521	477 259	54 462	1 932	1 749 222
Off-balance sheet - FX transactions only	-	24 795	-	5 038	25 036	-	5 497	60 366
Net position (excluding off-balance sheet)	89 881	18 212	(35 990)	11 886	95 957	881	27 075	207 902
Net position (including off-balance sheet)	89 881	(6 583)	24 276	6 848	70 921	881	21 578	207 802

Notes to the Consolidated Financial Statements

(40) Group entities

As at 31 December 2025 and 31 December 2024 respectively, the Group consisted of the following entities:

Name of entity	Registered office	Ownership 31.12.2025	Ownership 31.12.2024
4finance AB	Varuvägen 9, 125 30 Älvsjö, Sweden	100% 4finance Holding S.A.	100% 4finance Holding S.A.
4finance Digital Finance KZ LLP	Premises 858, Block 4B, Building 17, Nurly-Tau Multifunctional Center, Al-Farabi Avenue, Bostandyk District, Almaty city, postal code 050059, Kazakhstan	100% 4finance Holding S.A.	-
4finance S.A.	25C, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg	100% 4finance Holding S.A.	100% 4finance Holding S.A.
4finance Spain Financial Services S.A.U.	Street Albasanz 14, ground floor, 28037 Madrid, Spain	100% 4finance Holding S.A.	100% 4finance Holding S.A.
4Services Limited	Suite 3, Second Floor, Icom House, 1/5 Irish Town, Gibraltar GX11 1AA, Gibraltar	100% 4finance Holding S.A.	100% 4finance Holding S.A.
AS 4finance	Brīvības street 155A, Riga, LV-1012, Latvia	100% 4finance Holding S.A.	100% 4finance Holding S.A.
Bastorehill Investments Sp. z o.o.	Towarova 28, Warsaw, 00-839, Poland	100% AS 4finance	100% AS 4finance
Betont Pte Ltd.	216 Joo Chiat Road, #02-16, Soho Life, Singapore 427483	100% 4finance Holding S.A.	100% 4finance Holding S.A.
Credit Service UAB	Jonavos Street 254A, LT- 44132, Kaunas, Lithuania	100% 4finance Holding S.A.	100% 4finance Holding S.A.
Digital Finance Holdings S.A.	25C, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg	15% 4finance Holding S.A.	15% 4finance Holding S.A.
Fundloom Technologies Pvt Ltd	Innov8, Orchid Center, 3F, Golf Course Road Sec53, DLF QE, Dlf Qe, Gurgaon- 122002, Haryana, India, 122002	100% (99.99% Betont Pte Ltd., 0.01% 4finance Spain Financial Services S.A.U.)	-
HOLDING NEOTECH PTE.LTD	216 Joo Chiat Road, #02-16, Soho Life, Singapore 427483	100% Digital Finance Holdings S.A.	-
Holding Viva PTE. Ltd	216 Joo Chiat Road #02-16 Soho Life, Singapore 427483	100% Digital Finance Holdings S.A.	100% Digital Finance Holdings S.A.
Oakendale Private Limited	Innov8 Ucp 9F, Tower D, Unitech Cyber Park Sec-39, Gurgaon, Sadar Bazar, Gurgaon- 122001, Haryana, India, 122002	100% (99.99% Zaplo Finance s.r.o., 0.01% Credit Service UAB)	-
ONDAL FINANCE LIMITED	C/O Tindle's Llp Medway House, Fudan Way Teesdale Business Park Stockton-on-Tees TS17 6EN	50% 4finance Holding S.A.	50% 4finance Holding S.A.

Notes to the Consolidated Financial Statements

Name of entity	Registered office	Ownership 31.12.2025	Ownership 31.12.2024
Online Loans Pilipinas Financing Inc	601 Summit One Office Tower, 530 Shaw Boulevard, Barangay Highway Hills, Mandaluyong City, Philippines	99.997% Betont Pte Ltd.	99.997% Betont Pte Ltd.
Paylater Finance LLC	14, Afrosiyeb str., Pharovon MCA, Tashkent city, Republic of Uzbekistan, 100015	100% 4finance Holding S.A.	-
Peso Redee Financing Co. Inc.	Unit 1005-1006, Pacific Center Condominium, 33 San Miguel Avenue, Ortigas Center, Brgy, San Antonio, Pasig City 1605, Metro Manila, Philippines	99.997% Betont Pte Ltd.	99.997% Betont Pte Ltd.
Premium Leasing LLC	Apt. №124, Floor 10–11, Block A, II Section, №2 Giorgi Danelia St., Vake District, Tbilisi, Georgia	100% 4finance Holding S.A.	100% 4finance Holding S.A.
SERVICIOS DIGITALES OMNI, S.A. DE C.V.	11520, Miguel De Cervantes Saavedra, Piso 2 oficina-2011, Ciudad De Mexico	99.998% Digital Finance Holding S.A.	99.998% Digital Finance Holding S.A.
SIA Credit Solutions (formerly: SIA Debt Solution)	Brīvības street 155A, Riga, LV-1012, Latvia	100% 4finance Holding S.A.	100% 4finance Holding S.A.
SPRING LOANS (Pty) Ltd	2nd Floor Tower B Northlands Cnr Shopping Centre Northriding Gauteng 2169 Johannesburg, South Africa	100% 4finance Holding S.A.	-
TBI ASSET MANAGEMENT AND SERVICING S.A.	8-12 Putul lui Zamfir Str., Ground Floor and First Floor, District 1, Bucharest, Romania	100% (99.996709% TBI Bank EAD, 0.003291% TBI Financial Services B.V.)	100% (99.9989% TBI Bank EAD, 0.0011% TBI Financial Services B.V.)
TBI Bank EAD	52-54 Dimitar Hadzhikotsev Str., Lozenets district, 1421 Sofia, Bulgaria	100% TBI Financial Services B.V.	100% TBI Financial Services B.V.
TBI Bank EAD Greece Branch	Kifisias avenue No: 196, 15231 Chalandri R. Attika, Municipality of Chalandri, Greece	Branch of TBI Bank EAD	Branch of TBI Bank EAD
TBI Bank EAD Sofia-Bucharest Branch	8-12 Putuli lui Zamfir Str., 4th floor, 1st sector, Bucharest, Romania	Branch of TBI Bank EAD	Branch of TBI Bank EAD
TBI Financial Services B.V.	Prof. W.H. Keesomlaan 12, 1183DJ Amstelveen, Amsterdam, the Netherlands	100% 4finance Holding S.A.	100% 4finance Holding S.A.
TBI Insurance Intermediaries Praktoreiaki Asfaleion SINGLE MEMBER S.A.	196 Kifisias Avenue, Chalandri, Athens, P.C. 15231, Greece	100% TBI Bank EAD	100% TBI Bank EAD

Notes to the Consolidated Financial Statements

Name of entity	Registered office	Ownership 31.12.2025	Ownership 31.12.2024
TBI Money IFN S.A.	8-12 Putul lui Zamfir Str., 2nd Floor, District 1, Bucharest, Romania	100% (99.99999863% TBI Bank EAD, 0.00000137% TBI Financial Services R V \	100% (99.99999863% TBI Bank EAD, 0.00000137% TBI Financial Services R V \
TBI Tech Teknoloji ve Yazılım Hizmetleri A.Ş	District “Cumhuriyet”, “Cinarli” Ap. Ata nr. 1, internal door: 5, Yüsküdar/Istanbul	100% TBI Bank EAD	100% TBI Bank EAD
UNITRON TECHNOLOGY, S.A.P.I. DE C.V.	11520, Miguel De Cervantes Saavedra, Piso 2 oficina-2017 Y 2018, Ciudad De Mexico	99.998% Digital Finance Holding S.A.	99.998% Digital Finance Holding S.A.
Vane Finance Technology Inc.	16192 Coastal Hwy,19958 Lewes, Sussex, United States	-	100% Vane GmbH
Vane Finance Technology Limited	2nd Floor. Heathmans House, 19 Heathmans Road, London, England, SW6 4TJ	-	100% Vane GmbH
Vane GmbH	Marienburger Str. 1, 10405 Berlin, Germany	-	24.09% 4finance Holding S.A.
VivaMoney Solutions Private Limited	7th Floor, Vatika Triangle, MG Road, Block B, Sushant Lok, Phase I, Gurugram, Gurgaon, Haryana, India, 122002	99.996% Holding Viva PTE. Ltd	-
Vivus.bg EOOD	Republic of Bulgaria, Sofia 1797, Iztok Residential Complex, 16A Dr. G. M. Dimitrov Blvd., Floor 1, Office No. 2	100% 4finance Holding S.A.	100% TBI Bank EAD
Wikipro S.A de CV	Avenida Insurgentes Sur, 1216, oficina 405, colonia Tlacoquemécatl del Valle, alcaldía Benito Juárez, Ciudad de México, C.P. 03200	100% (90% 4finance Holding S.A, 10% 4finance Spain Financial Services S.A.U.)	100% (90% 4finance Holding S.A, 10% 4finance Spain Financial Services S.A.U.)
Zaplo Finance s.r.o.	Jungmannova 745/24, 110 00 Praha 1 - Nové Město, Czech Republic	100% 4finance Holding S.A.	100% 4finance Holding S.A.

Notes to the Consolidated Financial Statements

(41) Subsequent events

Dividend

In March 2026, 4finance Holding SA declared and paid a dividend to its sole shareholder and parent 4finance Group S.A. of EUR 26.0 million in respect of the 2024 financial year.

Disposals

On 27 February 2026, the sale of TBI Bank EAD was completed, after obtaining the necessary regulatory approvals. Financial effect can be seen in Note 14.

In March 2026, 4finance AB, an entity in Sweden being wound down, was sold to 4finance Group S.A. and correspondingly released from being a guarantor of the group's bonds.

Financing

In April 2026, 4finance S.A. announced the early redemption of its EUR 2026 notes in full.

INDEPENDENT AUDITOR'S REPORT

To the Sole Shareholder of
4finance Holding S.A.
11 Boulevard Prince Henri,
L-1724 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of 4finance Holding S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISA) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISA as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated financial statements and our report of the “réviseur d’entreprises agréé” thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” 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 a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISA as adopted for Luxembourg by the CSSF 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 the Law of 23 July 2016 and with ISA as adopted for Luxembourg by the CSSF, 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 the Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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 report of the "*réviseur d'entreprises agréé*" 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 report of the "*réviseur d'entreprises agréé*". 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 and 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.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 24 April 2026
PKF Audit & Conseil Sàrl
Cabinet de révision agréé

Tom PFEIFFER

Signed by:

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