

# ANNUAL REPORT

**beginning of financial year:** 01.01.2023

**end of the financial year:** 31.12.2023

**business name:** Wallester AS

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## Activity Report

### Overview of Wallester AS

**Wallester AS** (hereinafter referred to as "Wallester" or the "Company") is a FinTech company operating under a payment institution license issued by the Estonian Financial Supervisory Authority. The Company provides the following payment services as specified in the Payment Institutions and E-money Institutions Act:

- Execution of payment transactions, including transferring funds to payment accounts maintained by payment service providers.
- Issuance of payment instruments and acceptance of payment transactions.

Wallester focuses on serving corporate clients. Wallester White-Label solution enables corporate clients to brand their payment cards and bring their products to market quickly. Wallester Business product offers corporate clients the ability to use payment cards to efficiently manage their business expenses, including issuing payment cards to their employees for payroll or travel expenses.

Wallester's core business is issuing payment cards and providing card payment solutions. Wallester has developed leading-edge cloud-based payment card issuing technology solutions and card payment infrastructure that clients can use as a turnkey solution..

### Strategic Partnership with Visa

Wallester is a Principal Member of Visa, the international card organization. This partnership is of strategic importance to both parties. For Wallester, Visa serves not only as a payment intermediary but also as a crucial marketing channel and support. For Visa, Wallester is recognized as a fast and flexible marketer of Visa payment cards and a promising strategic partner.

### Ownership, Management Structure, and Team

Wallester's shareholder is Wallester Group OÜ (former Placet Smart Solutions OÜ).

Wallester operates under a two-tier management structure - Management Board and Supervisory Board. In 2023, the Management Board was strengthened with the addition of a Chief AML Officer, bringing the total to a four-member Management Board: Sergei Astafjev (Chairman of the Management), Dmitri Logvinenko, Fred Sooläte, and Aivar Paul.

In 2023, the number of employees increased significantly, reaching 126 full-time employees by the end of the Year. New employees joined various departments, including IT, Client Relationship, Marketing, Operations, Project Management, AML, Compliance, and HR. In addition, in April 2023, Wallester opened a new business development hub located in Valbonne, France. This expansion underscores Wallester's commitment to providing cutting-edge payment solutions across Europe and supporting its growing customer base in the region.

### Investment Policy

Wallester's new investment policy emphasizes the shareholder's commitment to ensuring sufficient equity and liquidity to meet regulatory requirements and support the Company's growth. This includes funding for an efficient organizational structure, extensive IT development, marketing activities, and other critical business functions. The management is also planning to raise additional capital from external investors in 2024.

### Products and Technologies

The year 2023 was a successful one for the completion of several complex development projects.

Ensuring the security of sensitive data related to clients and payment transactions is always important to Wallester. Wallester successfully passed the PCI DSS (Payment Card Industry Data Security Standard) audit process and obtained the highest level of PCI DSS certification, Level 1.

Wallester is also proud to announce several new features and development achievements:

- Wallester Payroll
- Supporting 9 currencies - EUR, USD, GBP, NOK, SEK, CZK, PLN, RON, DKK
- New 3DS provider to enhance security and overall experience for online purchases
- Implemented Out-of-Band authentication for online purchase security, which enables a biometric authentication method
- Wallester Business Client Portal Redesign

### **Client Growth and Market Expansion**

The Financial permit granted by Estonian Financial Supervision and Resolution Authorities allows Wallester to provide cross-border services in all countries of the European Economic Area. In 2023 Wallester started preparations to request permission to provide cross-border services in the United Kingdom, which would make it possible to offer services to a broader audience and enhance market presence in the United Kingdom. Wallester successfully received a UK cross-border services permit, reaching its goal on March 12, 2024.

### **Marketing Initiatives**

To enhance brand awareness and connect with potential clients, Wallester participated in several major international events in 2023, including:

- STHLM Fintech Week (Stockholm, Sweden)
- Money 20/20 (Amsterdam, Netherlands)
- AFFILIATE WORLD EUROPE (Barcelona, Spain)
- B2BRocks (Paris, France)
- PARIS RETAIL WEEK (Paris, France)
- Accounting Summit (Berlin, Germany)
- Dmexco 2023 (Cologne, Germany)
- Nordic Fintech Week (Copenhagen, Denmark)
- Riga Comm (Riga, Latvia)
- Milan Fintech Summit 2023 (Milan, Italy)
- France Fintech Revolution (Paris, France)
- Seamless Europe (Berlin, Germany)
- Payment Market Conference Riga 2023 (Riga, Latvia)
- IL SALONE DEI PAGAMENTI (Milan, Italy)
- SLUSH (Helsinki, Finland)

### **Primary Risks**

Wallester's main economic risks are linked to the general macroeconomic environment in Europe, which affects client business.

Business risks include the timely completion of development projects. The Company adheres to responsible principles across social, economic, and environmental aspects, with a strong focus on compliance with regulations related to money laundering and terrorist financing prevention and implementation of international financial sanctions.

The Company's risk control measures are deemed appropriate by the Board given the nature, scale, and complexity of its activities.

## Key Ratios of the Company

		2023	2022
Profit (loss) for the reporting period		- 635 349	- 400 095
EBITDA (OIBDA)	Operating profit (-loss) + depreciation	- 491 366	- 142 891
Profitability of sales	(sales revenue – goods, raw materials, material and services) / sales revenue	67.32%	63.83%
Overall level of solvency	Current assets / short term liabilities	1.04	1.15
omakapital kogu varade suhtes	Equity / assets	0.16	0.26
Equity in relation to total assets	Money and its equivalents / short term liabilities	0.97	1.04
EBITDA margin %	Operating profit+depreciation / sales revenue	-5.38%	-3.63%
ROA (%)	Net profit / total assets * 100	-2.61%	-4.22%
ROE (%)	Reporting period profit / equity	-16.73%	-16.15%

## The annual accounts

### Statement of financial position

(In Euros)

	31.12.2023	31.12.2022	Note
Assets			
Current assets			
Cash and cash equivalents	1 374 571	1 788 569	2
Receivables and prepayments	19 895 217	6 234 723	3,5
Inventories	63 435	63 582	4
<b>Total current assets</b>	<b>21 333 223</b>	<b>8 086 874</b>	
Non-current assets			
Receivables and prepayments	693 808	693 808	3
Property, plant and equipment	132 012	4 193	6
Intangible assets	2 214 729	702 650	7
<b>Total non-current assets</b>	<b>3 040 549</b>	<b>1 400 651</b>	
<b>Total assets</b>	<b>24 373 772</b>	<b>9 487 525</b>	
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	20 576 402	7 009 806	5,8
<b>Total current liabilities</b>	<b>20 576 402</b>	<b>7 009 806</b>	
<b>Total liabilities</b>	<b>20 576 402</b>	<b>7 009 806</b>	
Equity			
Issued capital	909 900	684 238	10
Share premium	7 943 715	6 214 377	
Retained earnings (loss)	-4 420 896	-4 020 801	
Annual period profit (loss)	-635 349	-400 095	
<b>Total equity</b>	<b>3 797 370</b>	<b>2 477 719</b>	
<b>Total liabilities and equity</b>	<b>24 373 772</b>	<b>9 487 525</b>	

## Income statement

(In Euros)

	2023	2022	Note
Revenue	9 140 830	3 940 772	11
Other income	32 976	13 161	
Work performed by entity and capitalised	1 667 202	306 072	
Raw materials and consumables used	-2 987 360	-1 425 542	12
Other operating expense	-2 402 085	-890 429	13
Employee expense	-5 782 601	-2 046 378	14
Depreciation and impairment loss (reversal)	-279 615	-257 073	
Significant impairment of current assets	-124 808	-14 576	
Other expense	-35 520	-25 971	
<b>Operating profit (loss)</b>	<b>-770 981</b>	<b>-399 964</b>	
Interest income	95 958	617	
Interest expenses	0	-548	
Other financial income and expense	39 674	-200	
<b>Profit (loss) before tax</b>	<b>-635 349</b>	<b>-400 095</b>	
<b>Annual period profit (loss)</b>	<b>-635 349</b>	<b>-400 095</b>	

## Statement of cash flows

(In Euros)

	2023	2022	Note
Cash flows from operating activities			
Operating profit (loss)	-770 981	-399 964	
Adjustments			
Depreciation and impairment loss (reversal)	279 615	257 073	
<b>Total adjustments</b>	<b>279 615</b>	<b>257 073</b>	
Changes in receivables and prepayments related to operating activities	-13 660 494	-5 706 854	
Changes in inventories	147	90 836	
Changes in payables and prepayments related to operating activities	13 566 596	5 830 873	
Interest received	95 958	617	
<b>Total cash flows from operating activities</b>	<b>-489 159</b>	<b>72 581</b>	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-1 919 513	-424 698	
<b>Total cash flows from investing activities</b>	<b>-1 919 513</b>	<b>-424 698</b>	
Cash flows from financing activities			
Loans received	0	100 000	
Repayments of loans received	0	-100 000	
Interest paid	0	-548	
Proceeds from issuing shares	1 955 000	2 000 000	
<b>Total cash flows from financing activities</b>	<b>1 955 000</b>	<b>1 999 452</b>	
<b>Total cash flows</b>	<b>-453 672</b>	<b>1 647 335</b>	
Cash and cash equivalents at beginning of period	1 788 569	141 434	2
<b>Change in cash and cash equivalents</b>	<b>-453 672</b>	<b>1 647 335</b>	
Effect on exchange rate changes on cash and cash equivalents	39 674	-200	
Cash and cash equivalents at end of period	1 374 571	1 788 569	2



## Statement of changes in equity

(In Euros)

				<b>Total</b>
	Issued capital	Share premium	Retained earnings (loss)	
<b>31.12.2021</b>	484 238	4 414 377	-4 020 801	877 814
Annual period profit (loss)			-400 095	-400 095
Issue of equity	200 000	1 800 000		2 000 000
<b>31.12.2022</b>	684 238	6 214 377	-4 420 896	2 477 719
Annual period profit (loss)			-635 349	-635 349
Issue of equity	225 662	1 729 338		1 955 000
<b>31.12.2023</b>	909 900	7 943 715	-5 056 245	3 797 370

## Notes

### Note 1 Accounting policies

#### General information

The annual accounts of Wallester AS for 2023 have been prepared in accordance with the Estonian Financial Reporting Standard. The Estonian Financial Reporting Standard is a set of financial reporting requirements for the public, based on internationally accepted accounting and reporting principles, the basic requirements of which are established by the Accounting Act of the Republic of Estonia, and specified in the guidelines of the Accounting Standards Board.

The financial statements have been prepared in euros.

Wallester AS has prepared the annual report of a medium-sized enterprise, which consists of the balance sheet, an income statement, cash flow statement, statement of changes in equity and notes.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and current account balances.

#### Receivables and prepayments

Trade receivables include short-term receivables arising in the ordinary course of business, except for receivables from other group companies. Accounts receivable have been valued in the balance sheet based on the amounts likely to be received. In doing so, the outstanding invoices of each specific customer are assessed separately, taking into account the known information on the customer's solvency. Doubtful accounts are written down in the balance sheet to the probable amount to be received (the write-down is recognized in the balance sheet in a separate line "Doubtful accounts") and is recognized as an expense in the income statement. Bad debts have been derecognised. Receivables from previously written-down doubtful accounts are recognized as a reduction of the cost of doubtful accounts. Due to the specific nature of the company's activities, cash in special settlement accounts with banks is recorded as accrued income in the balance sheet.

#### Plant, property and equipment and intangible assets

Tangible fixed assets are assets used in the company's own economic activities with a useful life of more than one year and a cost of 1,000 euros or more. Assets with a useful life of more than one year but with an acquisition cost of less than EUR 1,000 are recognized as an expense as the asset is taken into use.

Tangible fixed assets shall be recorded in the balance sheet at acquisition cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on an item of tangible fixed assets shall be recognized as a tangible fixed asset when it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

Other maintenance and repair costs are recognized as an expense when the expense incurs.

Amortization is calculated using the straight-line method. The amortization rate is determined for each item of tangible fixed assets separately, depending on its useful life. If an item of tangible fixed assets consists of distinguishable components that have different useful lives, those components are accounted for as separate items of assets and amortization rates are determined separately according to their useful lives.

Amortization rates per year for groups of fixed assets are as follows:

Other tangible fixed assets 20-40%

Amortization starts to be calculated from the moment when the asset is usable according to the purpose planned by the management and ends when the residual value exceeds the carrying amount or until the asset is permanently withdrawn from use. At each balance sheet date, the reasonableness of the amortization rates used, the amortization method and the residual value are assessed.

If the recoverable amount of an item of fixed assets (i.e. the higher of the two following indicators: an asset's fair value less costs to sell, or its value in use) is less than its carrying amount, the items of tangible fixed assets are written down to their recoverable amount.

Intangible assets are initially recognized at their acquisition cost, which consists of the purchase price and expenses directly related to the acquisition. Intangible assets are recorded in the balance sheet at acquisition cost less accumulated amortization and any possible impairment losses.

In recognising development expenditure, an entity follows the accounting policy for intangible assets because all the criteria below are met:

- (i) the technical and financial capability and positive intention to carry out the project exist;
- (ii) the entity has the ability to use or sell the asset to be created;
- (iii) the future economic benefits embodied in the intangible asset can be estimated (including the existence of a market for the products that will result from the project); and  
the products and services resulting from the project);

(iv) the level of development expenditure can be measured reliably.

Costs associated with the development of software for a project developed in-house are capitalised and consist primarily of internal staff costs.

Amortization is calculated using the straight-line method. The amortization rate is determined separately for each item of intangible asset, depending on its useful life, 3-10 years.

### Financial liabilities

All financial liabilities (trade payables, borrowings, accrued expenses and other short-term and long-term liabilities) are initially recognized at their acquisition cost, which includes all expenses related to acquisition. Subsequent recognition is based on the adjusted acquisition cost method.

The adjusted acquisition cost of short-term financial liabilities is generally equal to their nominal value, therefore short-term financial liabilities are recognized in the balance sheet in the amount payable. The adjusted cost of long-term financial liabilities is calculated using the effective interest method.

### Revenue recognition

Revenues are recognized according to the following main types of revenue:

- sales revenue
- other operating income
- interest income.

Revenue is recognized at the fair value of the consideration received or to be received. If the payment is received immediately or within a short period after the transaction, the sales revenue is equal to the amount of cash received.

If the revenues would not be received in the short-term period (over 12 months) the sales revenue is recorded in the present value of the considerations to be received in future. The difference between the nominal value of the consideration receivable and the fair value is recognized as interest income during the period between the recognition of the sale and the receipt of the consideration.

- Revenue from sales of services

Revenue from the service rendered during a short period is recognized immediately after the service is rendered. The revenue from the service rendered over a longer period is recognized based on the level of completion method, i.e. the revenue from the provision of the service is recognized in proportion to the costs associated with the provision of the service in the same periods. In project accounting, the object identifier added to the record is used to link the revenues and costs of the service.

- Interest income

Interest income is calculated using the effective interest rate method, except when the receipt of interest is uncertain. In such cases, interest income is calculated on a cash basis.

### Taxation

In accordance with applicable laws of the Republic of Estonia, the Estonian entities do not pay income tax on profits.

Instead of the income tax payable on profits, the Estonian entities pay corporate income tax on dividends, fringe benefits, gifts, donations, costs of entertaining guests, non-business related disbursements and adjustments of the transfer price. As of 01 January 2015 the current tax rate is 20/80 on the amount paid out as net dividends. From 2019, tax rate of 14/86 can be applied to dividend payments. The more beneficial tax rate can be used for dividend payments in the amount of up to the average dividend payment during the three preceding years that were taxed with the tax rate of 20/80. When calculating the average dividend payment of three preceding years, 2018 will be the first year to be taken into account. Due to the specific nature of the taxation system, there are no temporary differences between the tax values of assets and liabilities and the residual accounting values between and therefore no deferred income tax assets and liabilities arise.

### Related parties

In preparing the annual report of Wallester AS, the following parties have been considered related parties:

- \* owners (parent company and persons controlling or having significant influence over the parent company);
- \* executive and senior management;
- \* close family members of the persons listed above and companies controlled or significantly influenced by them.

## Note 2 Cash and cash equivalents

(In Euros)

	31.12.2023	31.12.2022
Money and bank accounts	1 374 571	1 788 569
<b>Total cash and cash equivalents</b>	<b>1 374 571</b>	<b>1 788 569</b>

## Note 3 Receivables and prepayments

(In Euros)

	31.12.2023	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	502 546	502 546	0	
Accounts receivables	643 275	643 275	0	
Allowance for doubtful receivables	-140 729	-140 729	0	
Tax prepayments and receivables	98 271	98 271	0	5
Other receivables	19 280 349	18 586 541	693 808	
Accrued income	19 280 349	18 586 541	693 808	
Prepayments	707 859	707 859	0	
Deferred expenses	277 943	277 943	0	
Other paid prepayments	429 916	429 916	0	
<b>Total receivables and prepayments</b>	<b>20 589 025</b>	<b>19 895 217</b>	<b>693 808</b>	

  

	31.12.2022	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	502 230	502 230	0	
Accounts receivables	528 150	528 150	0	
Allowance for doubtful receivables	-25 920	-25 920	0	
Tax prepayments and receivables	6 573	6 573	0	5
Other receivables	6 210 921	5 517 113	693 808	
Accrued income	6 210 921	5 517 113	693 808	
Prepayments	208 807	208 807	0	
Deferred expenses	152 842	152 842	0	
Other paid prepayments	55 965	55 965	0	
<b>Total receivables and prepayments</b>	<b>6 928 531</b>	<b>6 234 723</b>	<b>693 808</b>	

Other receivables in sum 18 586 541 EUR include client funds deposited in settlement accounts.

Long-term receivables in sum 693 808 EUR consist of a VISA Eupore collateral and an office rental deposit.

## Note 4 Inventories

(In Euros)

	31.12.2023	31.12.2022
<b>Raw materials</b>	<b>63 435</b>	<b>63 582</b>
Stock held by others	63 435	63 582
<b>Total Inventories</b>	<b>63 435</b>	<b>63 582</b>

## Note 5 Tax prepayments and liabilities

(In Euros)

	31.12.2023		31.12.2022	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	0	0	0	44 841
Personal income tax	0	87 380	0	35 201
Fringe benefit income tax	0	11 922	0	822
Social tax	0	162 514	0	61 283
Contributions to mandatory funded pension	0	6 040	0	2 368
Unemployment insurance tax	0	9 016	0	4 170
Prepayment account balance	98 271		6 573	
<b>Total tax prepayments and liabilities</b>	<b>98 271</b>	<b>276 872</b>	<b>6 573</b>	<b>148 685</b>

## Note 6 Property, plant and equipment

(In Euros)

		Total
	Other property, plant and equipment	
<b>31.12.2021</b>		
Carried at cost	35 858	35 858
Accumulated depreciation	-28 738	-28 738
<b>Residual cost</b>	<b>7 120</b>	<b>7 120</b>
Depreciation	-2 927	-2 927
<b>31.12.2022</b>		
Carried at cost	35 858	35 858
Accumulated depreciation	-31 665	-31 665
<b>Residual cost</b>	<b>4 193</b>	<b>4 193</b>
Acquisitions and additions	147 322	147 322
Other acquisitions and additions	147 322	147 322
Depreciation	-19 503	-19 503
<b>31.12.2023</b>		
Carried at cost	183 180	183 180
Accumulated depreciation	-51 168	-51 168
<b>Residual cost</b>	<b>132 012</b>	<b>132 012</b>

## Note 7 Intangible assets

(In Euros)

		Total
	Other intangible assets	
<b>31.12.2021</b>		
Carried at cost	1 106 485	1 106 485
Accumulated depreciation	-574 387	-574 387
<b>Residual cost</b>	<b>532 098</b>	<b>532 098</b>
Acquisitions and additions	424 698	424 698
Depreciation	-254 146	-254 146
<b>31.12.2022</b>		
Carried at cost	1 531 183	1 531 183
Accumulated depreciation	-828 533	-828 533
<b>Residual cost</b>	<b>702 650</b>	<b>702 650</b>
Acquisitions and additions	1 772 191	1 772 191
Depreciation	-260 112	-260 112
<b>31.12.2023</b>		
Carried at cost	3 303 374	3 303 374
Accumulated depreciation	-1 088 645	-1 088 645
<b>Residual cost</b>	<b>2 214 729</b>	<b>2 214 729</b>

The Management Board on the regular basis (at least annually) assesses the intangible assets recognized on the balance sheet for the presence of impairment signs. In particular as the company is currently being in the growth stage, generating net losses for several periods, the Management performed the assessment of the future net cash-flows to be generated from its main activities, in the provision of which intangible are used. The recoverable amounts of intangible assets were determined based on value in use calculation by using discounted cash-flow model. The valuation uses cash-flow projections, which are based on financial estimates covering maximum of five-year period.

The estimation of future cash-flows and selection of discount rate require the use of judgements and estimates from management. As at the reporting date, management believes that there is no indication of impairment of intangible assets.



## Note 8 Payables and prepayments

(In Euros)

	31.12.2023	Within 12 months	Note
Trade payables	274 468	274 468	
Employee payables	773 794	773 794	
Tax payables	276 872	276 872	5
Other payables	19 192 979	19 192 979	
Other accrued expenses	19 192 979	19 192 979	9
Prepayments received	58 289	58 289	
Other received prepayments	58 289	58 289	
<b>Total payables and prepayments</b>	<b>20 576 402</b>	<b>20 576 402</b>	
	31.12.2022	Within 12 months	Note
Trade payables	196 543	196 543	
Employee payables	357 669	357 669	
Tax payables	148 685	148 685	5
Other payables	6 228 013	6 228 013	
Other accrued expenses	6 228 013	6 228 013	9
Prepayments received	78 896	78 896	
Other received prepayments	78 896	78 896	
<b>Total payables and prepayments</b>	<b>7 009 806</b>	<b>7 009 806</b>	

## Note 9 Other payables

(In Euros)

	31.12.2023	Within 12 months	Note
Other accrued expenses	19 192 979	19 192 979	8
Clients' money	15 183 228	15 183 228	
Collateral received from Clients	1 419 912	1 419 912	
Settlement obligations to VISA	2 568 439	2 568 439	
Other accrued charges	21 400	21 400	
<b>Total other payables</b>	<b>19 192 979</b>	<b>19 192 979</b>	
	31.12.2022	Within 12 months	Note
Other accrued expenses	6 228 013	6 228 013	8
Clients' money	5 121 356	5 121 356	
Collateral received from Clients	615 171	615 171	
Settlement obligations to VISA	457 586	457 586	
Other accrued charges	33 900	33 900	
<b>Total other payables</b>	<b>6 228 013</b>	<b>6 228 013</b>	

## Note 10 Share capital

(In Euros)

	31.12.2023	31.12.2022
Share capital	909 900	684 238
Number of shares (pcs)	909 900	684 238
Nominal value of shares	1	1

## Note 11 Net sales

(In Euros)

	2023	2022
Net sales by geographical location		
Net sales in European Union		
Estonia	1 107 215	767 976
Bulgaria	66 094	54 778
Cyprus	837 858	200 096
Denmark	115 684	94 793
Germany	133 064	38 402
Latvia	361 437	151 794
Lithuania	2 074 152	1 779 156
France	89 970	22 693
Hungary	81 291	35 440
Ireland	115 891	29 660
Italy	23 718	0
Malta	30 541	0
Poland	20 149	0
Austria	32 605	0
Belgium	63 956	0
Czech Republic	92 289	0
Finland	54 906	0
Slovakia	17 416	0
Spain	77 392	0
Netherlands	101 220	0
Portugal	13 896	0
Other European Union net sales	18 063	54 855
<b>Total net sales in European Union</b>	<b>5 528 807</b>	<b>3 229 643</b>
Net sales outside of European Union		
Switzerland	164 300	69 402
United Kingdom	2 455 962	641 031
Canada	33 147	0
Hong Kong	186 587	0
United Arab Emirates	19 177	0
United States of America	739 722	0
Other net sales outside of European Union	13 128	696
<b>Total net sales outside of European Union</b>	<b>3 612 023</b>	<b>711 129</b>
<b>Total net sales</b>	<b>9 140 830</b>	<b>3 940 772</b>
Net sales by operating activities		
Payment services	9 140 830	3 940 772
<b>Total net sales</b>	<b>9 140 830</b>	<b>3 940 772</b>

## Note 12 Goods, raw materials and services

(In Euros)

	2023	2022
Goods purchased for resale	81 348	295 621
Services purchased for resale	2 906 012	1 129 921
<b>Total goods, raw materials and services</b>	<b>2 987 360</b>	<b>1 425 542</b>

## Note 13 Miscellaneous operating expenses

(In Euros)

	2023	2022
Leases	270 075	15 200
<b>Energy</b>	<b>26 291</b>	<b>0</b>
Electricity	19 195	0
Heat energy	7 096	0
Miscellaneous office expenses	363 458	48 051
Travel expense	110 994	18 680
Training expense	24 850	5 382
State and local taxes	39 437	0
Consultation costs	93 023	52 448
Accounting and audit costs	71 146	76 359
Advertising	1 051 676	486 530
Bank services	141 279	151 958
Translation services	113 290	0
Other	96 566	35 821
<b>Total miscellaneous operating expenses</b>	<b>2 402 085</b>	<b>890 429</b>

## Note 14 Labor expense

(In Euros)

	2023	2022
Wage and salary expense	4 305 737	1 529 509
Social security taxes	1 448 710	506 582
Pension expense	28 154	10 287
<b>Total labor expense</b>	<b>5 782 601</b>	<b>2 046 378</b>
Average number of employees in full time equivalent units	108	43
Average number of employees by types of employment:		
Person employed under employment contract	103	39
Member of management or controlling body of legal person	5	4

The option program is finished.

## Note 15 Related parties

(In Euros)

Name of accounting entity's parent company	Placet Smart Solutions OÜ
Country where accounting entity's parent company is registered	Estonia
Group name where parent company belongs	Placet Group OÜ
Country where group's parent company is registered	Estonia

### Related party balances according to groups

<b>SHORT TERM</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Receivables and prepayments</b>		
Parent company	4 350	109 257
Other entities belonging into same consolidation group	38 299	10 855
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	11 915	0
<b>Total receivables and prepayments</b>	<b>54 564</b>	<b>120 112</b>
<b>Payables and prepayments</b>		
Other entities belonging into same consolidation group	324 792	335 159
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	277 367	162 018
<b>Total payables and prepayments</b>	<b>602 159</b>	<b>497 177</b>

<b>LONG TERM</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Receivables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	16 808	16 808
<b>Total receivables and prepayments</b>	<b>16 808</b>	<b>16 808</b>

<b>SOLD</b>	<b>2023</b>	<b>2022</b>
	<b>Services</b>	<b>Services</b>
Parent company	2 660	109 257
Other entities belonging into same consolidation group	155 445	179 784
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	161 984	0
<b>Total sold</b>	<b>320 089</b>	<b>289 041</b>

BOUGHT	2023	2022
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	203 427	15 200
<b>Total bought</b>	<b>203 427</b>	<b>15 200</b>

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2023	2022
Remuneration	495 639	309 546

Amounts presented as payables and prepayments includes outstanding liabilities of the Company before its related Partners for the card transaction and payment processing, although the amounts presented as sales and purchases turnover are presented on net basis and attributable only to the fees received by the Company in the reporting period.

## Note 16 Events after the reporting date

On 21.05.2024 took place a change in the group structure. Due to increased business volumes Placet Smart Solutions OÜ together with Wallester AS was separated from the group by means of a demerger. The new name of Placet Smart Solutions OÜ is Wallester Group OÜ.

# INDEPENDENT AUDITORS' REPORT

(Translation of the Estonian original)

To the shareholders of Wallester AS

## Opinion

We have audited the financial statements of Wallester AS (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Estonian Financial Reporting Standard.

## Basis for Opinion

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

## Other Information

Management is responsible for the other information. The other information comprises the management report, but does not include the financial statements and our auditors' report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard and we state that the information presented in the management report is materially consistent with the financial statements and in accordance with the applicable legal and regulatory requirements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Estonian Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

/digitally signed/

Eero Kaup  
Certified Public Accountant, Licence No. 459  
KPMG Baltics OÜ  
Audit Firm Licence No. 17  
Ahtri 4, 10151 Tallinn

12 August 2024