

**PRESS RELEASE**

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**ESTO Holdings OU reports record-breaking third quarter 2023 results underlining market leader positioning in the Baltics and announces upcoming equity raise**

*TALLINN, November 1st, 2023 / PR Newswire/ -- [ESTO Holdings OU](#), a leading Estonian payment processor and consumer credit provider, today reported its all-time high financial results for the three-quarters of 2023. With revenue growth of 54% from a year ago, the company has achieved a historic milestone by attaining a three consecutive quarter profit of EUR 2.3mln, confirming its dominant and resilient position in the Baltics despite challenging macroeconomic environments. To fuel the growth dynamics, ESTO has announced the upcoming capital raise initiative.*

**Key Highlights**

- Revenue increased by 54% from the third quarter of 2022 to a record EUR 17.5mln, demonstrating the ability to expand the customer base, engage new partners, and enhance existing monetization strategies;
- The record volume of over EUR 118mln in transactional turnover (GMV) was processed by ESTO during the first nine months of 2023, a remarkable +66% increase compared to the same period of 2022;
- Over 300 new point-of-sales were added to the merchant network with an estimated annual GMV amount of about EUR 100mln. The launch of the ESTO Platform is set to increase the company's revenue and boost the attractiveness of ESTO services for its clients;
- Net Profit showed strong growth, increasing by 27% YoY to EUR 2.3mln in the first nine months of 2023 compared to EUR 1.8mln in the same period of 2022;
- The Net Loan Portfolio demonstrated solid growth, expanding by 41% YoY in Q3'23 compared to Q3'22.

The full third-quarter financial statements release has been made available on the company's [Investor Relations webpage](#).

Mikk Metsa, Founder and CEO of ESTO, commented, "ESTO's focus on profitable and sustainable growth is evident in our business development strategy, which was proven by the recent enhancement of our product line by the launch of the ESTO Platform earlier this year. Our market positioning remains strong, especially in Estonia, where ESTO is proudly considered a household brand. We've achieved impressive financial results with significant revenue growth, EBITDA, and Net Profits exceeding our expectations, our momentum is strong, and we are poised for a promising trajectory in the coming quarters. We see a tremendous opportunity in expanding ESTO operations in Latvia, Lithuania, and beyond, and we initiated an equity raise project in October to accelerate our growth."

Following the company's positive trajectory and solidification of its business model, ESTO is pleased to announce that the strategic equity raise process is set for Q4'23, followed by the unanimous decision of the company's shareholders. This strategic move aims to fuel ESTO's

growth aspirations in the Baltics, capture additional market share, and support the development of innovative financial solutions.

### Business Performance

<i>In millions of Euros</i>	<b>2023/9M</b>	<b>2022/9M</b>	<b>Δ in %</b>
<b>Operational highlights</b>			
GMV	118.4	71.5	66%
Total volume of transactions	388.8	284.2	37%
Loans originated	51.8	36.2	43%
Credit applications approved (count)	587,624	453,131	30%
	<b>2023.09.30</b>	<b>2022.09.30</b>	
Net Loan portfolio	56.4	40.0	41%
Gross Loan portfolio	57.5	40.9	41%
Total number of point-of-sale (count)	4,305	2,794	54%
Total number of customers (count)	488,110	288,701	69%
<b>Financial highlights</b>	<b>2023/9M</b>	<b>2022/9M</b>	<b>Δ in %</b>
Revenue	17.5	11.4	54%
EBITDA	6.4	4.2	51%
Net Profit	2.3	1.8	27%
	<b>2023.09.30</b>	<b>2022.09.30</b>	
Total Assets	64.1	43.4	47%
Equity (incl. Tier-I capital)	12.7	8.8	43%

### Strategic and Operational Highlights

- The company has secured close to EUR 9mln in new funding during 3Q'23 and a total of over EUR 18.5mln since the beginning of the year;
- Launch of the ESTO Platform as a new core product vertical within the ESTO Group, including the inaugural activities of business working capital loans affiliation with two financial institution partnerships in Estonia and consumer loan lead generation in Latvia and Lithuania with three financial institution partnerships. More offerings are planned for the near future;
- During Q3'23 around 300 new point-of-sales were added to the network in the Baltics, with an aggregate approximate commerce revenue estimated to be over 100,000,000 EUR per annum. Notable key merchant partnerships include Ivo Nikkolo (EE), Viena Sāskaita (EE), Technorama (LT), Kavos Draugas (LT), VDE (LV), and Donna (LV);
- The company has achieved significant improvements in lending conversion rates across all markets by establishing new data provider connections;

- Enhanced brand marketing efforts have been evident through the successful launch of co-branded marketing campaigns with key merchants in our target regions, bolstering our market presence and revenue generation. In Estonia, our co-branded marketing campaign with Mobipunkt (Apple products retailer) generated over 300,000 unique visits to the shopping environments of the merchant. Furthermore, blogs have been introduced across all regions to further establish our brand identity and engage with our audience;
- Significant product improvements include the launch of an enhanced central purchase flow platform as well as updates to user areas and affiliate areas in all regions. Additionally, new features have been introduced to enhance ESTO personal account. Platform and product updates are expected to enhance the growth rate of acquiring new users and partners, and to support the GMV growth with 10% increase compared to previous periods.

“This quarter, ESTO’s focus on robust credit risk management has significantly strengthened the quality of our originations and credit portfolio, reflected in exceptionally low NPL to Net Portfolio rate below 1.2%”, stated Kevin Koik, ESTO’s Chief Financial Officer. “Furthermore, Cost-to-Income ratio has improved remarkably, standing at the impressive level of 27%. Since the beginning of the year, ESTO has secured an additional EUR 18.5mln of new funding and kept the effective cost-of-funds rate below 11%, even with the recent upward dynamics of the ECB rate. Those improvements are the best indicator of our strategic priority in sustainable growth and building resilience in the face of market volatility.”

In conclusion, ESTO’s financial performance in the nine months ending 30 September 2023 demonstrates robust growth and operational efficiency while maintaining profitability. Its focus on innovative product offerings, market expansion, and credit quality continues to drive positive financial outcomes. These results reflect the company’s strength and its solid positioning for future opportunities and challenges, ensuring that ESTO continues to thrive in a dynamic economic landscape and delivers substantial value to its shareholders.

#### *About ESTO:*

*ESTO is a dynamic, forward-thinking company that aims to revolutionize the shopping experience by simplifying the complex shopping ecosystem. Leveraging its multi-year expertise and position as Estonia’s leading non-bank consumer credit institute, ESTO is positioned to reshape the e-commerce landscape in the Baltics and beyond. With a strong emphasis on technology and customer loyalty, ESTO aims to provide a seamless, tailored, and omnichannel shopping experience for both consumers and retailers.*

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