

## PRESS RELEASE

*For Immediate Distribution***ESTO Holdings Announces the Highest Ever Quarterly Profit Amidst Pan-Baltic Expansion**

**TALLINN, May 30th, 2024 /PR Newswire/ --** *ESTO Holdings OÜ, a leading Estonian payment processor and consumer credit provider, today reported the financial statements for the first quarter of 2024 with record-breaking net profit and revenues, significantly boosting profitability and scale. Net profit increased by 53% YoY, Revenue increased by 33% YoY with outstanding annualized ROE on a level of 52%*

**Key Highlights**

- Net Profit boosted to a record-high EUR 1.14mln, increasing by 53% YoY in the first quarter of 2024 compared to EUR 0.74mln in the same period of 2023.
- The Cost-to-Income ratio improved by over 20% compared to the fourth quarter of 2023, reflecting the efficiency of the chosen focus on enhancing ESTO's profitability.
- Impressive increase in quarterly revenue with a new record of EUR 7.1mln in the first quarter of 2024, a 33% improvement compared to the same period of the previous year.
- More than 250 new merchants have been onboarded during the first quarter of 2024, including prominent brands such as Bauhof, Ballzy, Coral Travel, Gitana, and Lonas, further strengthening our market presence and partnership network.
- Strong financial position with constantly improving equity ratio reached 22% and over EUR 19mln in new capital attracted in 2024.

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:**

"I am very happy that the strategy we chose at the end of last year to increase effectiveness and profitability within the group is working exceptionally well and has already yielded impressive results. We broke all our previous revenue and profitability records, and we foresee this positive trend continuing into the next quarters. In the last month of the quarter, we were also able to generate a new monthly net profit record of EUR 0.55 million. Additionally, we were successful in the capital markets, raising new capital to fuel our growth. It is also very encouraging to see that despite our focus on increasing profitability and effectiveness, we continued to grow at a fast pace, adding hundreds of new merchant partners and tens of thousands of new users during the quarter. Our investors and shareholders shall be impressed by outstanding achievement in the company's profitability with Return-on-Equity (ROE) on the remarkably high level of 52% annualized, well above benchmarks in the industry."

During the first quarter of 2024, the company has made several advancements toward solidifying market positioning and its financial strength. Gross Merchandise Volume (GMV) in Latvia and Lithuania, prominent markets for ESTO, boosted by 46% to EUR 10 million, compared with EUR 6.8 million in 1Q'23. The quality of credit portfolio and originations has improved, resulting in the highest-ever portfolio yield (portfolio revenue divided on average loan portfolio) at a level of 3.26% per month, compared with 3.10% at the end of 2023.

"This quarter, ESTO Risk Management function focused primarily on strengthening the quality of our originations and credit portfolio – our goal was to ensure stable, profitable growth while maintaining the same high quality of customers. Our main key performance indicators do not correlate with some negative macroeconomic indicators in the market, demonstrating the stability of our clientele and ESTO's ability to maintain the desired risk appetite," said Dmitrij Mochov, Head of Risk at ESTO.

Recently, the company introduced “ESTO Deals”, a new product designed to boost businesses in our community of more than 550,000 customers. Featuring brands on the “ESTO Deals” platform, ESTO aims to increase sales volumes, revenue, average basket size, and conversion rates – transforming marketing strategies, driving significant growth for our partners, and increasing monetization for ESTO.

## ***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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