

MANAGEMENT REPORT

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Our Year at a Glance

Wallester achieved exceptional growth in 2024, with revenue reaching **€17.2M**, representing an **87% year-on-year (YoY) increase**.

EBITDA was turned around from **-€0.5M** to **€3.3M** through systematic improvements in operational efficiency and cost discipline, putting the business **on a path to sustainable profitability**.



Our Year at a Glance

Our **net profit** rose to **€2.4M** in 2024, marking a **472% YoY improvement**.



Onboarded **2,000+ new clients** and issued over **1,000,000 cards** in 2024.



Acquired a **cross-border license** to extend services to **the UK**.





Letter from the CEO

2024 was a defining year for Wallester, not just in numbers but in impact. We grew rapidly, executed with precision, and laid the foundations for a new phase of international expansion. Revenue surged to €17.2 million, marking an 87% year-on-year increase. We achieved profitability at scale, with EBITDA reaching €3.3 million and net profit climbing to €2.4 million. These milestones are not only financial indicators, they're proof of product-market fit, operational strength, and the trust placed in us by thousands of businesses across Europe and beyond.

Our client base expanded by over 2,000 new companies across sectors ranging from digital marketing to travel and financial services. We issued over 1 million cards in 2024 alone, a clear signal that Wallester's technology solves real-world problems for modern enterprises.

One of our most strategic achievements was securing the UK cross-border services license. This move positions Wallester to better serve clients post-Brexit and opens the door to new partnerships and growth opportunities in one of Europe's most important financial markets.

We also continued to invest heavily in product innovation, compliance, and security, successfully passing the highest level of PCI DSS certification and rolling out new features that enhance our clients' control, visibility, and user experience.

What drives all of this? Our people. In 2024, we grew our team to 138 full-time employees, expanded our leadership, and opened a new business development hub in Riga. Every success we've achieved reflects the creativity, resilience, and commitment of our team.

Looking ahead, 2025 will be a year of acceleration. With a strong capital position, proven infrastructure, and a clear roadmap, Wallester is poised to scale further, both in terms of product capabilities and geographic reach. As we prepare for our next funding round, our focus remains clear: build the most efficient, secure, and flexible payment infrastructure for businesses across Europe and beyond.

Sergei Astafjev

Chief Executive Officer
Wallester AS

A handwritten signature in black ink that reads "Sergei Astafjev". The signature is written in a cursive, flowing style.





WALLESTER IN 2024: A COMPREHENSIVE OVERVIEW

Overview of Wallester

Wallester AS (hereinafter referred to as "Wallester" or the "Company") is a next-generation FinTech company headquartered in Estonia, operating under a payment institution license issued by the Estonian Financial Supervisory Authority. We specialise in cutting-edge card issuance and payment infrastructure, designed to help businesses launch, scale, and manage financial services with speed and precision.

We offer licensed payment services under the Payment Institutions and E-Money Institutions Act, including:

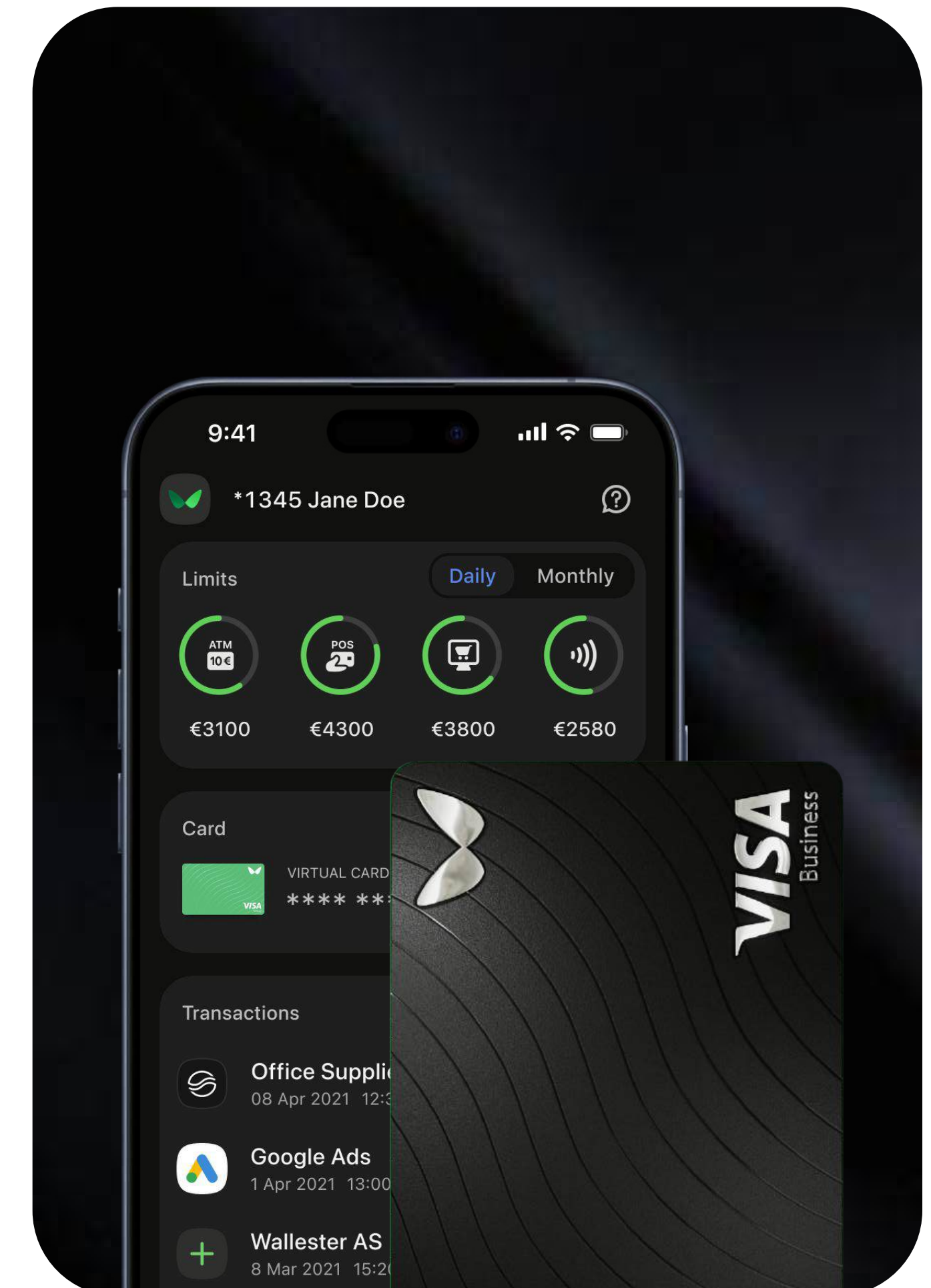
- Execution of payment transactions, including transferring funds to payment accounts maintained by payment service providers.
- Issuance of payment instruments and acceptance of payment transactions.

Our core focus is serving corporate clients across a range of industries, from digital marketing and e-commerce to travel and financial services.

Our **White-Label solution** enables businesses to integrate financial services directly into their platforms - a concept known as embedded finance. This allows companies to launch branded payment cards tailored to their specific needs, enhancing customer experiences and opening new revenue streams. We ensure a swift time-to-market with simplified integration and dedicated support from our implementation team.

Our **Wallester Business** solution is designed to modernise corporate expense management. It provides companies with instant access to virtual and physical Visa cards, streamlining financial processes through a modern app and comprehensive portal. Features include expense tracking, budget analytics, and seamless integration with accounting systems to enhance financial oversight and efficiency.

At the heart of everything we do is a proprietary, cloud-native payment infrastructure, built in-house, fully compliant, and engineered to meet the evolving needs of modern businesses. Whether you're an established enterprise or a fast-scaling startup, Wallester provides the tools to take control of payments without the complexity.

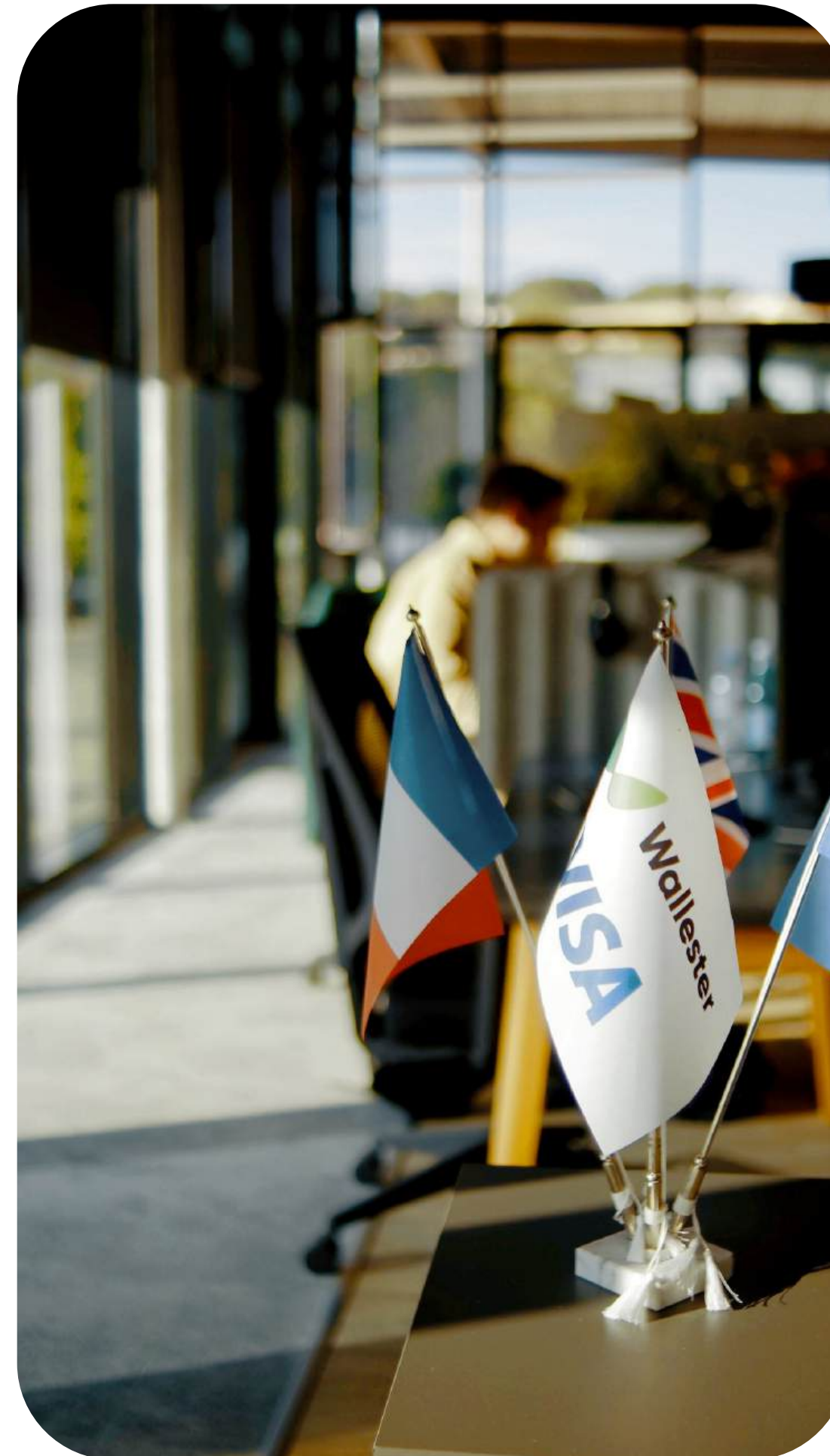


Partnership with Visa

As a Principal Member of Visa, Wallester benefits from a partnership that goes far beyond traditional payment processing. This relationship is a cornerstone of our business, enabling us to deliver seamless, globally accepted card solutions backed by Visa's unmatched network and brand strength.

For Wallester, Visa is not just a payment intermediary; it's a vital growth partner, providing critical marketing support, strategic guidance, and access to an expansive global ecosystem. This partnership accelerates our ability to innovate and scale quickly, giving our clients confidence in the reliability and reach of their payment programs.

Conversely, Visa values Wallester as a nimble and forward-thinking partner, recognised for our agility, speed to market, and ability to bring innovative Visa card solutions to diverse corporate clients across Europe and beyond. Together, we are shaping the future of business payments.



Ownership, Management Structure, and Team

On May 21, 2024, a restructuring of the group was carried out. In response to increased business volumes, Placet Smart Solutions OÜ and Wallester AS were separated from Placet Group OÜ. After the separation, Placet Smart Solutions OÜ was renamed Wallester Group OÜ, which now acts as the sole shareholder of Wallester AS.

Wallester operates under a two-tier management structure - the Management Board and Supervisory Board.

In 2024, the number of employees increased significantly, reaching 138 full-time employees by the end of the Year. New employees joined various departments, including IT, Client Relationship, Marketing, Project Management, AML, Compliance, and HR. In January 2024, Wallester strengthened its executive leadership by appointing a new Chief Technical Officer (CTO) to lead the company's technology strategy and innovation initiatives, as well as a Chief Executive Officer (CEO) for our UK operations, overseeing our growth strategy in this key market.

In addition, in October 2024, Wallester opened a new business development hub located in Riga, Latvia. 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 emphasises the shareholders' obligation to ensure the company's financial stability, including the availability of sufficient funds to cover operating expenses and investments, even in a changing economic environment. This includes funding for an efficient organisational structure, extensive IT development, marketing activities, and other critical business functions. The company achieved strong financial performance in 2024, driven by the effective use of its own capital. The fundraising plans are scheduled for 2025.



Products and Technologies

2024 was a breakthrough year for Wallester’s product innovation and technology development. We completed several complex projects that significantly enhanced our platform’s capabilities and user experience.

At the core of our efforts is an unwavering commitment to security. This year, Wallester successfully achieved the highest level of PCI DSS certification, Level 1, reaffirming our dedication to protecting sensitive client data and payment transactions with industry-leading standards.

In addition to strengthening security, we rolled out a range of new features and enhancements designed to simplify, streamline, and future-proof the payment experience for our clients:

Personalised vIBANs for Wallester Business Clients

In partnership with Banking Circle, we launched personalised virtual IBAN (vIBAN) provisioning for eligible Wallester Business clients. This functionality, available based on

specific industry and risk criteria, enhances incoming and outgoing payment efficiency, supports reconciliation processes, and adds an extra layer of professionalism for client-facing transactions. It represents a significant step forward in providing tailored, bank-grade infrastructure to high-performing business clients.

New Top-Up Method: Card Top-Up

We introduced instant EUR account top-ups via credit and debit cards, as well as Apple Pay and Google Pay, for Wallester Business users. This feature significantly reduces friction in funding business accounts, enabling faster response to payment needs. It's particularly valuable for time-sensitive business operations, and is also available to Wallester Business Payroll clients.

Simplified Wallester Business Sign-up Process

We streamlined the Wallester Business onboarding journey with a more automated verification process. By asking new users to identify their country of registration at the outset, we automatically trigger jurisdiction-specific onboarding flows. Leveraging access to EEA and UK business registries, our KYB/KYC team can now directly retrieve and upload official company documents on behalf of clients. This advancement allows new customers to complete verification and start issuing cards within hours, enhancing speed-to-value and reducing administrative burden.



Wallester in 2024: A Comprehensive Overview



Redesigned Wallester Website

Our complete website redesign introduced a modernised visual identity and restructured navigation to improve user experience across devices. The new site not only reflects Wallester’s brand evolution but also simplifies access to product information, documentation, and support, resulting in a more intuitive digital journey for both prospects and existing clients.

3DS Out-of-Band Authentication via Mobile App

To further secure and simplify online payment verification, we launched out-of-band 3D Secure (3DS) authentication through the Wallester mobile app. This feature provides a seamless alternative to SMS and email verification by allowing users to confirm payments directly within the app. It enhances the user experience, reduces operational dependency on mobile carriers, and helps clients avoid SMS-related verification costs.

Interactive Demo Client Portal

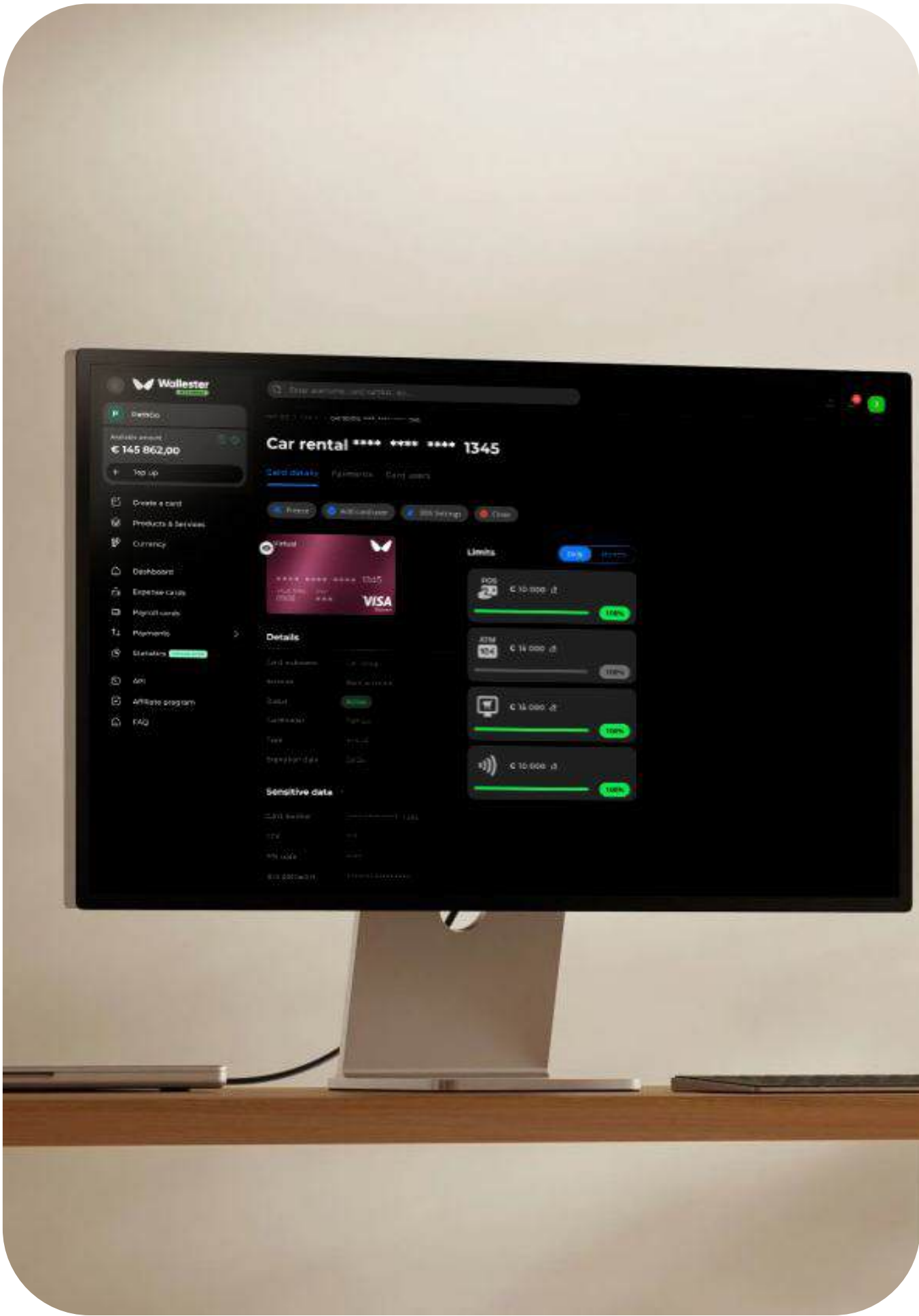
We introduced a fully interactive Demo Client Portal, enabling prospective Wallester Business users to explore our expense management and card issuing platform without account registration. The portal features guided walkthroughs, contextual pop-up tips, and a simulated environment that highlights our platform’s full capabilities. By showcasing the product’s value upfront, this tool supports conversion and shortens the sales cycle.

Add Note and Receipt Reminder Features

We continued to improve our mobile user experience by launching two critical features aimed at financial control and compliance.

- The **Add Note** feature allows users to attach custom descriptions to each transaction, making it easier for finance teams to interpret spending.
- The **Receipt Reminder** feature helps enforce internal compliance by prompting users to upload supporting documentation, reducing the volume of incomplete or non-compliant transactions.

Together, these enhancements reduce manual follow-ups and streamline the reconciliation process for corporate accounting teams.



Client Growth and Market Expansion

In 2024, Wallester made significant strides in expanding its client base and geographic reach. The company leveraged its payment institution licence, granted by the Estonian Financial Supervision and Resolution Authority (Finantsinspektsioon), to provide cross-border services across all countries in the European Economic Area (EEA), enabling seamless onboarding and servicing of clients throughout the region.

A major milestone was achieved on March 12, 2024, when Wallester received formal approval to offer cross-border services in the United Kingdom, one of the most competitive and highly regulated financial markets in Europe. This strategic move opens the door to new partnerships and growth opportunities within the UK’s fintech and embedded finance ecosystems.

On the client front, Wallester Business experienced robust growth, adding over 2,000 new clients over the course of the year. This brought the total number of Wallester Business clients to over 4,400 by the end of 2024, reflecting strong demand for its scalable payment infrastructure and spend management solutions among SMEs, startups, and larger enterprises alike.

Meanwhile, Wallester White-Label continued to gain traction among enterprise clients and fintech innovators seeking a fast track to launching their own branded card and payment

programs. In 2024, the white-label division onboarded 12 new clients, increasing its total to 34 active partners, each leveraging Wallester’s powerful infrastructure to build unique card-based offerings tailored to specific verticals and use cases.

Together, these developments underscore Wallester’s growing footprint across Europe and its positioning as a key enabler of embedded finance solutions in an increasingly borderless digital economy.



Marketing Initiatives

In 2024, Wallester significantly stepped up its marketing efforts with a clear focus on performance and strategic positioning. The team adopted a data-driven approach to performance marketing, tailoring campaigns to high-value buyer personas in verticals such as media buying, travel, transport, and logistics. These focused initiatives contributed to improved conversion rates and better-qualified inbound interest from across the European Economic Area.

To strengthen brand recognition and audience engagement, Wallester partnered with a specialist social media agency to enhance the quality, consistency, and impact of its digital presence. This collaboration enabled more regular and targeted content publication, helping to build stronger connections with industry audiences and reinforce Wallester’s positioning as a forward-thinking payments provider.

Wallester also pursued increased visibility through strategic listings and award recognition.



The company gained widespread recognition by securing high placements on respected industry platforms and actively competing in top-tier fintech awards across Europe. These efforts resulted in five major industry honours, including:

- **Top Startup in Estonia at the Äripäev TOP100 Gala**
- **Best FinTech Partner at the 2024 FinTech Awards Europe**
- **Best Enterprise Software Solution by SaaStock**
- **Recognition on the #EstonianMafia Wall of Fame at LIFT99 Tallinn Hub**
- **5th place in the Sifted 30 Eastern Europe & Baltics Leaderboard**

These accolades not only reinforced Wallester’s credibility and product excellence but also contributed to broader brand awareness and trust among key decision-makers, partners, and investors.

To enhance brand awareness and connect with potential clients, Wallester participated in several major international events in 2024, including:

- **Pay360** conference (London, United Kingdom)
- **Money 20/20 Europe** (Amsterdam, The Netherlands)
- **Affiliate World Conference** (Budapest, Hungary)
- **Seamless** (Munich, Germany)
- **IFTM International** and **Travel Market** (Paris, France)
- **FinTech LIVE** London (London, United Kingdom)
- **PI Live** (London, United Kingdom)
- **Accountex** (Madrid, Spain)
- **Visa Europe Partnerships Forum** (London, United Kingdom)
- **ECOM21** (Riga, Latvia)
- **Salone dei Pagamenti** (Milan, Italy)
- **Visa Innovation Program** Europe Italy (Milan, Italy)



Primary Risks

Wallester operates in a dynamic economic environment, and like all financial services providers, is subject to broader macroeconomic trends across Europe that can impact client transaction volumes and growth trajectories.

On an operational level, the timely delivery of development projects remains a key focus area. We continue to invest in robust project management and cross-functional coordination to mitigate delivery risk and maintain our track record of innovation at scale.

Regulatory compliance remains a core pillar of our business. Wallester upholds strict adherence to anti-money laundering (AML), counter-terrorism financing (CTF), and international financial sanctions frameworks. Our governance approach integrates environmental, social, and economic responsibility into every aspect of decision-making.

The Board considers the Company’s current risk management framework appropriate for the scale, complexity, and evolving nature of our operations, and remains committed to regular review and reinforcement.



Key Ratios of the Company

	2024	2023
Profit (loss) for the reporting period (€)	2,363,628	(635,349)
EBITDA (OIBDA) (€)	3,290,527	(491,366)
Profitability of sales (%)	79.99	67.32
Overall level of solvency	1.06	1.04
Equity to total assets	0.11	0.16
Level of financial resources	0.99	0.97
EBITDA margin (%)	19.19	(5.38)
ROA (%)	4.38	(2.61)
ROE (%)	38.36	(16.73)



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