

ANNUAL REPORT

beginning of financial year: 01.01.2024

end of the financial year: 31.12.2024

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Management report

Scramble OÜ (hereinafter - the Company) operates the Scramble claims assignment platform (hereinafter - Scramble), accessible at www.scrambleup.com. Scramble is a global online platform where retail investors enable consumer goods startups to get access to working capital. Scramble serves as an intermediary between platform users – investors seeking stable returns on their invested funds – and users from consumer goods and retail companies seeking affordable working capital financing. The Company's primary source of income is service fees charged to startups for facilitating sale of claims to loans on the platform.

Company Operations and Financial Results

In 2024, the Company successfully increased the number of retail investors and borrowers using our platform. We are pleased that both groups provided strong positive feedback on the quality of Scramble's products and services, sharing their experiences with our team personally and through their online reviews on TrustPilot and Google.

The Scramble product proved to be a significant innovation in the UK consumer goods sector, allowing small and medium-sized brands to grow their businesses without selling a large portion of their companies to investors. During 2024, Scramble validated over 4'500 (2023: 4'000) and funded more than 56 (2023: 50) promising UK and European consumer goods brands. The brands we have helped grow operate in the food & drinks, beauty, wellness, home goods, fashion, and pet care, and other market segments. We also see substantial demand for our services among small retail investors in many European countries. The simplicity and convenience of Scramble make our platform one of the easiest ways for any European to begin their investment journey.

In 2024, the platform saw participation in investing from over 2'900 (2023: 2'236) new individual retail clients and from more than 56 (2023: 50) corporate clients. In total, the platform facilitated approximately €7 million (2023: €2.5 million) in claims sold. The funding was provided to 56 UK-based and 2 Dutch startups with clear business strategies and strong operational performance.

Scramble OÜ invested over €71.6 thousand (2023: revised €93.9 thousand) in developing core IT processes and platform functionality, bringing the total software cost to €381.6 thousand (31.12.2023: revised €310 thousand) as of December 31, 2024. In the 2024 fiscal year, the Company incurred a net loss of €366.4 thousand (2023: revised €527.3 thousand), in line with management expectations and related to the Company's growth phase, during which monetization mechanisms were tested.

In 2024, the Company raised over €285 thousand in financing (2023: €500 thousand) in financing through convertible and operational loans, all bearing interest. The conversion of these loans into company shares is planned for the second half of 2025 or early 2026, by which time the company's share capital will be restructured, and accumulated losses from previous years will be covered.

Equity Requirement Fulfillment

Due to the 2024 results, the Company's equity fell below the legally permitted threshold. Consequently, the Company's owner decided to make an additional capital contribution. The approximate amount of this contribution is €1.7 million.

Risk Management

The Company may face certain risks in market, operational, regulatory, and other areas, which Scramble's management actively addresses.

Market and Operational Risk Management

In 2024, fintech growth companies faced a range of market and operational risks, shaped by macroeconomic uncertainty, tightening regulatory environments, evolving customer expectations, and rapid technological changes.

Throughout 2024, the European economy remained volatile due to the combined effects of the ongoing war in Ukraine, high inflation and disrupted supply chains. 2024 posed challenges for most European companies, forcing them to reconsider their geographical presence, supply chains, and funding sources while dealing with rising operational costs and interrupted business activities.

While Scramble remained a relatively small company in 2024, we also had to consider these broader market forces. Our first priority was raising additional capital from our investors and advancing funds through the parent company (over €1.7 million during 2024). Secondly, we kept our costs very low despite the innovative and complex nature of the Scramble platform. Thanks to these measures, Scramble had sufficient funds to operate not only through 2024 but maintains efficient operations throughout 2025.

Financial Risk Management

The Company's primary financial instruments are cash in bank accounts and other loans, primarily aimed at financing the Company's operations. Additionally, the Company has other financial assets and liabilities, such as receivables from customers and payables to suppliers, which directly result from business operations. The Company faces credit risk, liquidity risk, and cash flow risk in its activities.

Financial assets that may lead to a concentration of credit risk mainly include cash in bank accounts and receivables from customers. At the end of the reporting period, the Company was preparing to expand lending activities on the platform, which is expected to increase both the number of startup borrowers and the overall loan portfolio. Although Scramble is not directly exposed to significant credit risk related to the loan portfolio, the Company's revenue is tied to the performance of loans issued through the platform. Consequently, the planned expansion in lending activities could either positively or negatively impact the Company's results, depending on the future performance of the loan portfolio.

At the request of investors, the Company monitors credit risk arising from loan transactions by managing platform operations to prevent financial losses if borrowers fail to meet their contractual obligations. This risk primarily concerns the quality of loans to early-stage consumer goods companies. The Company works closely with borrowers and monitors their payment discipline.

The Company's financial transaction partners are local financial institutions in Estonia with excellent credit histories.

The Company exercises prudent liquidity risk management by maintaining adequate credit facilities to meet obligations as they come due. Management addresses liquidity and cash flow risks by holding sufficient cash reserves, ensuring adequate funding, and continuously monitoring projected and actual cash flows.

The Company's exposure to currency risk is minimal, as most transactions are conducted in euros. The Company is not exposed to interest rate risk, as all loans have fixed interest rates.

Future Operations of the Company Objectives and Strategy

The Company's primary goal is to continue growing the platform to establish a clear leadership position within its niche market in Europe. This involves increasing the number of individual investors, the funds invested through the platform, and the number of consumer goods brands seeking financing. As with any marketplace, it is essential to grow both sides of the platform in a way that ensures high user satisfaction and encourages repeat use of our services.

Each year, over 50,000 promising consumer goods companies are established across Europe. Limited access to working capital is the biggest growth hurdle for these brands. Scramble's innovative model enables these brands to grow without giving up valuable ownership, relying instead on convenient and affordable debt.

Compared to the U.S. and Asia, Europe lags in retail investment activity. Historically, most European stock exchanges have not provided local investors with the same returns as U.S. exchanges. As a result, many Europeans prefer to keep their personal savings in local banks and avoid investing altogether. With its simplicity and consumer-focused approach, the Scramble platform allows novice investors with limited experience to gain personal investment exposure while offering innovative consumer goods companies the opportunity to bring new products to the European market.

Kamil Kurmakajev
Management Board member

The annual accounts

Statement of financial position

(In Euros)

	31.12.2024	31.12.2023	Note
Assets			
Current assets			
Cash and cash equivalents	440 854	1 027 089	2
Receivables and prepayments	8 725	23 769	3
Total current assets	449 579	1 050 858	
Non-current assets			
Receivables and prepayments	217	217	3
Property, plant and equipment	448	421	4
Intangible assets	313 989	276 322	5
Total non-current assets	314 654	276 960	
Total assets	764 233	1 327 818	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	1 165 554	0	6
Payables and prepayments	1 178 124	825 757	7
Total current liabilities	2 343 678	825 757	
Non-current liabilities			
Loan liabilities	0	1 732 123	6
Payables and prepayments	47 820	30 792	7
Total non-current liabilities	47 820	1 762 915	
Total liabilities	2 391 498	2 588 672	
Equity			
Issued capital	2 500	2 500	
Retained earnings (loss)	-1 263 354	-736 096	
Annual period profit (loss)	-366 411	-527 258	
Total equity	-1 627 265	-1 260 854	
Total liabilities and equity	764 233	1 327 818	

Income statement

(In Euros)

	2024	2023	Note
Revenue	186 293	8 288	8
Other income	15	167	
Raw materials and consumables used	-273 511	-228 100	9
Other operating expense	-146 286	-178 192	10
Employee expense	-73 687	-13 223	11
Depreciation and impairment loss (reversal)	-35 116	-24 753	
Other expense	-175	230	
Operating profit (loss)	-342 467	-435 583	
Interest income	3 259	1 154	
Interest expenses	-27 203	-92 823	
Other financial income and expense	0	-5	
Profit (loss) before tax	-366 411	-527 257	
Annual period profit (loss)	-366 411	-527 257	

Notes

Note 1 Accounting policies

General information

Scramble OÜ (hereinafter: Company) financial statements of 2024 have been prepared in accordance with the Estonian Financial Reporting Standard. The basic requirements of the Estonian Financial Reporting Standard are established by the Accounting Act of the Republic of Estonia, supplemented by guidelines issued by the Accounting Standards Board.

The financial statements have been prepared in EUR.

This is a shorter version of financial statement for small business.

The income statement scheme No.1 is used.

Error adjustments

During the review of accounting data, certain errors were identified, resulting in corrections to previously reported figures.

The data review revealed errors in previous accounting records, leading to an adjustment of the acquisition cost of intangible assets by capitalising platform software improvement costs, reclassification of certain prepayments as expenses, and other necessary corrections. All adjustments have been made in accordance with good accounting practice and are presented in this appendix.

Additional item name	31.12.2023	Change	31.12.2023
Receivables and prepayments	45 395	-21 626	23 769
Intangible assets	134 436	141 886	276 322
Payables and prepayments	837 249	-11 492	825 757
Non-current liabilities	1 761 579	1 336	1 762 915
Retained earnings (loss)	-787 135	51 039	-736 096
Annual period profit (loss)	-605 957	78 699	-527 258

Cash and cash equivalents

Cash and cash equivalents include cash balances and current account balances in the balance sheet.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

The business currency of the company is EUR. Transactions recorded in foreign currencies are based on the official exchange rates of the European Central Bank on the day of the transaction. The assets and liabilities denominated in foreign currencies as at 31st December of 2023 are translated into euro at the exchange rates prevailing on the balance sheet date of the European Central Bank. Gains and losses from currency transactions are recognized in the income statement as income or expense for the period.

Receivables and prepayments

Trade receivables, accrued income and other short and long-term receivables (including loan claims, deposits) are carried at amortized cost. At each balance sheet date, it is assessed whether there are any indications of impairment of these financial assets. If such features are present, the financial assets at amortized cost are lowered to their present value than expected future payments. Impairment losses are recognized as an expense in the income statement.

Plant, property and equipment and intangible assets

Items of property, plant and equipment are recognised in the balance sheet at cost. Assets with a useful life of more than one year and cost of over EUR 750 that are used in the company's own operations are considered as items of property, plant and equipment. Assets with a useful life of more than 1 year but with cost of less than EUR 750 are recognised as low-value items in inventories (expenses). The low-value items that have been expensed are accounted for off-balance sheet.

Depreciation is calculated using the straight-line method. The depreciation rate is determined for each item of property, plant and equipment depending on its useful life.

For the assets with a significant residual value, only the depreciable portion between the cost and residual value is depreciated over the useful life of the asset.

If an item of property, plant and equipment consists of distinct components with different useful lives, these components are recognised as separate assets in accounting, and separate depreciation rates are determined in accordance with their useful lives.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management and it is performed until complete depreciation of the depreciable portion or until the asset's complete removal from use. Depreciation of the asset temporarily removed from use is not suspended.

At each balance sheet date, the depreciation rates, depreciation method and terminal value are evaluated to determine their reasonableness.

If the recoverable amount of the non-current asset (i.e. higher of the fair value (less costs to sell) and value in use) is lower than the carrying amount, the items of property, plant and equipment are written down to their recoverable amount.

Recognition of property, plant and equipment is terminated in the event of the transfer of the asset or in case the use or sale of the asset is no longer expected to be economically viable. Gains or losses arising from derecognition of property, plant and equipment are recognised in other income or other expenses in the income statement.

Intangible assets are recorded in the balance sheet at cost less any accumulated depreciation and any impairment losses. Depreciation is calculated using the straight-line method. If the useful life of an intangible asset cannot be reliably estimated, it is assumed that its useful life is 10 years.

Development costs are the costs of developing, designing and testing new products. Development costs are capitalized if there are technical and financial opportunities and a positive intention to implement the project, the company is able to sell the assets to be made, and the development costs and the future economic benefits of intangible assets can be measured reliably.

Financial liabilities

All financial liabilities (trade payables, borrowings, accrued liabilities and other current and non-current liabilities) are initially recognized at cost, which includes all costs directly attributable to the acquisition. Subsequent recognition is adjusted cost method.

A financial liability is classified as current if it is due to be settled within twelve months after the balance sheet date or there is no unconditional right to defer settlement of the liability for more than 12 months after the balance sheet date.

Loans that are due to be repaid within 12 months of the balance sheet date but are refinanced as non-current after the balance sheet date, but before the approval of the annual accounts are recorded as current. Short-term loan liabilities that the lender had were also recognized the right to call back on the balance sheet date due to a breach of the terms of the loan agreement.

Expense recognition

Cost on goods is recognized when the costs related to the sale can be reliably measured. The costs of providing the service are reflected in the provision of the service during the same period.

Taxation

According to the Estonian Income Tax Act, the profit of a company's financial year is not taxed. Income tax is payable on dividends, fringe benefits, gifts, donations, admission fees, non-business payouts and transfer pricing adjustments.

As of 31.12.2024, the tax on dividends distributed is 22/78 of net payable. Under certain conditions, it is possible to distribute the received dividends without additional tax expense.

Corporate income tax on dividends is recognized as a liability and in the income statement as income tax expense in the same period as dividends are declared irrespective of the period for which they are declared or when they are actually paid out. The obligation to pay income tax arises on the 10th day of the month following the payment of dividends. Based on the peculiarities of the tax system, the registered companies in Estonia do not differ between the tax accounting and book value of the assets and, as a consequence, deferred tax claims or liabilities. The contingent income tax liability that would result from retained earnings on dividend payments is not recognized in the

balance sheet. The maximum tax liability that would result from the distribution of retained earnings as dividends is disclosed in the notes to the financial statements.

Related parties

The company's annual report has been considered related parties:

- a. owners;
- b. societies;
- c. executive and senior management;
- d. close family members of the persons listed above, and companies controlled by them or significantly influenced by them.

Funds received from investors and issued to users

Given that Scramble OÜ provides platform administration services and does not bear the credit risk or other financial risks related to these assets or liabilities, but only earns a service fee for servicing them, these items are disclosed in the company's financial statements, while these assets and liabilities are not reflected in the balance sheet. They are kept off-balance sheet.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2024	31.12.2023
Bank accounts	440 854	1 027 089
Total cash and cash equivalents	440 854	1 027 089

Note 3 Receivables and prepayments

(In Euros)

	31.12.2024	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Tax prepayments and receivables	3 330	3 330	0
Other receivables	217	0	217
Accrued income	217	0	217
Prepayments	5 395	5 395	
Other paid prepayments	5 395	5 395	0
Claims against customers			
Total receivables and prepayments	8 942	8 725	217
	31.12.2023	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Tax prepayments and receivables	18 484	18 484	0
Other receivables	217	0	217
Accrued income	217	0	217
Prepayments	5 285	5 285	
Deferred expenses	1 344	1 344	0
Other paid prepayments	3 941	3 941	0
Total receivables and prepayments	23 986	23 769	217

Note 4 Property, plant and equipment

(In Euros)

		Total
	Computers and computer systems	
31.12.2022		
Carried at cost	2 391	2 391
Accumulated depreciation	-829	-829
Residual cost	1 562	1 562
Depreciation	-880	-880
Impairment loss	-261	-261
31.12.2023		
Carried at cost	2 391	2 391
Accumulated depreciation	-1 970	-1 970
Residual cost	421	421
Acquisitions and additions	1 117	1 117
Other acquisitions and additions	1 117	1 117
Depreciation	-1 090	-1 090
31.12.2024		
Carried at cost	3 508	3 508
Accumulated depreciation	-3 060	-3 060
Residual cost	448	448

Note 5 Intangible assets

(In Euros)

	Computer software	Concessions, patents, licences, trademarks	Total
31.12.2022			
Carried at cost	217 067	2 335	219 402
Accumulated depreciation	-12 423	0	-12 423
Residual cost	204 644	2 335	206 979
Acquisitions and additions	92 954	0	92 954
Depreciation	-23 378	-233	-23 611
31.12.2023			
Carried at cost	310 021	2 335	312 356
Accumulated depreciation	-35 801	-233	-36 034
Residual cost	274 220	2 102	276 322
Acquisitions and additions	71 693	0	71 693
Depreciation	-33 792	-234	-34 026
31.12.2024			
Carried at cost	381 714	2 335	384 049
Accumulated depreciation	-69 593	-467	-70 060
Residual cost	312 121	1 868	313 989

During the data review, errors were identified in previous accounting records, resulting in an adjustment to the acquisition cost of intangible assets by capitalising platform software improvement costs in prior periods. As a result, the opening balance of computer software acquisition cost as of 31 December 2022 increased by €53,945, and the corrected accumulated depreciation increased by €540. The data for 2023 have also been adjusted. The overall impact is described in Note 1.

Note 6 Loan commitments

(In Euros)

	31.12.2024	Allocation by remaining maturity			Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
Convertible loan	5 000	5 000			12%	EUR	31.12.2025	
Convertible loan	20 970	20 970			10%	EUR	31.12.2025	
Convertible loan	4 500	4 500			12%	EUR	31.12.2025	
Convertible loan	85 170	85 170			10%	EUR	31.12.2025	
Convertible loan	135 660	135 660			15%	EUR	31.12.2025	
Convertible loan	10 000	10 000			15%	EUR	31.12.2025	
Loan from a management board member	30 000	30 000				EUR	31.12.2025	12
Current loans total	291 300	291 300						
Other loan commitments								
Liabilities to the owner	874 254	874 254				EUR	31.12.2025	12
Other loan commitments total	874 254	874 254						
Loan commitments total	1 165 554	1 165 554						
	31.12.2023	Allocation by remaining maturity			Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Non-current loans								
Convertible loan	5 000		5 000		12%	EUR	31.12.2024	
Convertible loan	20 970		20 970		10%	EUR	31.12.2024	
Convertible loan	4 500		4 500		12%	EUR	31.12.2024	
Convertible loan	85 170		85 170		10%	EUR	31.12.2024	
Convertible loan	60 000		60 000		15%	EUR	31.12.2024	
Non-current loans total	175 640		175 640					
Other loan commitments								
Liabilities to the owner	1 556 483		1 556 483			EUR		12
Other loan commitments total	1 556 483		1 556 483					
Loan commitments total	1 732 123		1 732 123					

Note 7 Payables and prepayments

(In Euros)

	31.12.2024	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Trade payables	62 294	62 294	
Employee payables	2 396	2 396	
Related parties payables	95	95	
Tax payables	3 957	3 957	
Other payables	48 040	220	47 820
Interest payables	48 040	220	47 820
Investors' funds	1 109 162	1 109 162	
Total payables and prepayments	1 225 944	1 178 124	47 820

	31.12.2023	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Trade payables	39 462	39 462	
Employee payables	918	918	
Related parties payables	187	187	
Tax payables	1 636	1 636	
Other payables	31 012	220	30 792
Interest payables	31 012	220	30 792
Investors' funds	783 334	783 334	
Total payables and prepayments	856 549	825 757	30 792

Note 8 Net sales

(In Euros)

	2024	2023
Net sales by geographical location		
Net sales in European Union		
Estonia	130 879	8 288
Total net sales in European Union	130 879	8 288
Net sales outside of European Union		
United Kingdom	55 414	0
Total net sales outside of European Union	55 414	0
Total net sales	186 293	8 288
Net sales by operating activities		
Other auxiliary activities of financial services	186 293	8 288
Total net sales	186 293	8 288

Note 9 Goods, raw materials and services

(In Euros)

	2024	2023
Various services (direct cost)	45 791	14 702
IT services, software usage fees	42 815	34 419
Platform technical support	83 204	31 044
Customer acquisition costs, marketing	101 701	147 935
Total goods, raw materials and services	273 511	228 100

Note 10 Miscellaneous operating expenses

(In Euros)

	2024	2023
Leases	19 184	17 181
Travel expense	5 640	2 624
Legal costs and consultations, accounting services	61 424	87 083
Bank service fees	51 859	39 678
Other	8 179	31 626
Total miscellaneous operating expenses	146 286	178 192

Note 11 Labor expense

(In Euros)

	2024	2023
Wage and salary expense	54 920	6 295
Social security taxes	18 767	6 928
Total labor expense	73 687	13 223
Average number of employees in full time equivalent units	2	1
Average number of employees by types of employment:		
Person employed under employment contract	2	1
Member of management or controlling body of legal person	1	0

Note 12 Related parties

(In Euros)

Name of accounting entity's parent company	Scramble Limited
Country where accounting entity's parent company is registered	United Kingdom

Related party balances according to groups

SHORT TERM	31.12.2024	31.12.2023
Receivables and prepayments		

Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	217	217
Total receivables and prepayments	217	217
Payables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	95	187
Total payables and prepayments	95	187

LONG TERM	31.12.2024	31.12.2023
Loan commitments		
Parent company	874 254	1 556 483
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	30 000	0
	904 254	1 556 483

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2024	2023
Remuneration	27 000	3 295