



STRATEGIC REPORT 24

for the year ended 31.12.2024

The Directors of Bilderlings Pay Limited (hereinafter –‘we’, ‘Bilderlings’ or ‘Bilderlings Group’) hereby present the strategic report for the year ended 31 December 2024.

The strategic report outlines the Group's mission, strategy, prospects, risks, development, performance, position, as well as relevant non-financial information.



Directors' Statement

As before, our field of vision was the sustainable development of Bilderlings Group to ensure that Bilderlings Group continued to maintain strong performance, profitability, and liquidity indicators, offering cutting-edge Fintech solutions while keeping an eye on the potential risks and opportunities of this rapidly developing market. We can proudly report that Bilderlings Group has progressed as a highly developed financial and technology platform, offering customers a wide range of Bilderlings Group-branded financial and non-financial services.

Bilderlings Group regularly revises its business model to keep it flexible and resilient to external impact. It also takes steps to incorporate environmental, social, and governance (ESG) principles throughout, supporting the success of our customers, people, and other stakeholders. We are focused on operating a sustainable business that puts the customer first, values good governance, and gives our stakeholders confidence in why, what, and how we do.

We strongly believe that our management team and highly skilled professionals leading various units within the Group will continue to demonstrate the highest performance in the coming year, regardless of the challenges the volatile global economy may pose.



On behalf of the Board
Mrs. S. Krasovska
Director

A stylized, handwritten signature in white ink, appearing to read 'S. Krasovska'.

Our Mission

Bilderlings Group's mission is to empower individuals and businesses worldwide by embracing new technology at cross-border payments and global financial interactions—making money movement instant, affordable, secure, and accessible to all.

The Bilderlings Group's platform includes multiple financial and technology products and services: Bilderlings Account, and Bilderlings Business, which allows businesses and customers to receive, save, spend, invest and send money across borders. Bilderlings Fintech allows electronic money, payment institutions, banks, and corporations to streamline the customer experience and seamlessly integrate innovative solutions and features into their online and mobile applications. The third-party financial and non-financial products and services are orchestrated by Bilderlings Platform.

The values that help us to make the right decisions whatever the circumstances are:



Respect – we embrace those we work with and the contribution they make.



Integrity – we act ethically and openly in all we do.



Everything for the customer – customer interests are the main focus of all our activities.



Experience - we always strive to exceed our customers' expectations and improve their experience.



Excellence - we use our expertise, capabilities, skills, and resources to deliver sustainably excellent results.



Teamwork – we collaborate in agile teams to achieve our goals.

Our Strategy

Build a new way to transfer, manage, and orchestrate money across borders for millions of people and businesses.

Approach

Reinvent the cross-border payment industry with AI-powered Fintech products, reinvest profits to develop affordable mass-market Fintech and neobank models.

Outcome

Leveraging a proven business model in the financial industry, become a globally recognised brand, leading the Fintech industry with a borderless international payments platform for businesses and many people.

Key Highlights

Focus on innovation, business solutions, technology products in financial and related industries, and reinvestment in R&D to open new gateways.

Balancing Short-term and Long-term

Generates immediate revenue through niche capabilities, premium models and reinvests in expanding financial services for sustained growth.





Our Business Model Key Components

Opportunity: The cross-border payments market is estimated to be worth \$3 trillion, with significant growth projected over the next five years. Access to faster, more affordable, inclusive, and accessible web and mobile platforms for cross-border payments is a growing opportunity, gated by poor user experience.

Problem: Operating worldwide small business owners, freelancers, specific corporate niches and many individuals need faster, cheaper, more inclusive, and reliable cross-border payments. Our target clients, including International SMEs, and some corporate niches such as shipping, logistics, trading, and new Fintech are often unbanked, underbanked, or restricted in payments by traditional banks. The customer needs including decentralised compliance regimes, high cost of payments, and unreliable e-money providers, are widely recognised as non-inclusive, time-consuming, and ineffective.

Solution: Bilderlings puts customers' needs first and automates cross-border payments using AI, and machine learning algorithms to optimise transaction fees, and FX rates, while using customised client curation and personalisation, thus making it easier, faster, cheaper, and more reliable.

Customer segments: International businesses and individuals; local businesses and individuals; mass-market customers that all make regular cross-border payments, FX, and manage money, including digital nomads, freelancers; financial institutions institutional clients; and mass-market clients.

Product: Bilderlings Account, Bilderlings Business, Bilderlings Fintech, Bilderlings Platform. Fully automated and AI-powered easy, convenient, instant, transparent Bilderlings Platform & Ecosystem for business and personal clients, in one place, in one click, anywhere.



Our Business Model Key Components

Channels: An online platform, web, and mobile application.

Value proposition: Borderless accounts, high-performance cross-border transfers, personalised client curation, and top-notch financial technology solutions.

Key elements for each specific customer segment: High-performance, customised curation, premium pricing, distribution through partners; automated procedures, support, advanced features, digital marketing, word-of-mouth, and referral program; the most affordable, accessible, inclusive automated procedures, support, digital wallets, and third-party financial and non-financial platforms, products and services.

Revenue Model: Bilderlings develops a revenue model that includes a transaction fee for every payment and a premium model for businesses and individuals that require processing on a large scale, high-risk, and complex transactions. We anticipate additional revenue streams by offering custom solutions for individual business requirements and orchestrating third-party financial and non-financial products.

Outcome: Excellent user experience in the international payment and money management industry for specific corporate niches, affluent individuals, and entrepreneurs. Built brand recognition, affordable, inclusive, and the most technologically advanced array of basic and premium services for business users. Mass-market adoption, significant sales growth, and a significant player in the financial and technology industry, setting standards for financial humanity and inclusivity

During 2025, Bilderlings Group will continue

- ✧ Build our business model around gen AI.
- ✧ Launching Bilderlings in the US and EU markets.
- ✧ Introducing more affordable, inclusive, value-added, and rewarding basic and premium pricing plans.
- ✧ Developing the core product offering to business and individual customers and expanding Bilderlings Fintech and Bilderlings Platform services.
- ✧ Developing the digital Fintech platform and, in collaboration with partners, promoting new financial and non-financial products.
- ✧ Investing in organisational design, culture, compliance, risk infrastructure, and customer support.
- ✧ Increasing social responsibility and participation in charity projects (supporting the environment and vulnerable sections of society), and
- ✧ Improving personalised experiences (personalised product recommendations, customised campaigns, and personalised service interactions for customers or customer groups).

Bilderlings Group continues to follow its strategy of fast, sustainable, and profitable growth by scaling in its core market – international payments and broadening its scope into adjacent products and services. To support the growth, we'll invest in the business model culture, operating processes, human resources, and organisational design, providing compelling value propositions and customer outcomes, and delivering greater operational and cost-efficient service.

To capitalise on the input made into strategy development, we implemented AI in the customer signing-up process in addition to the automated control of transactions.

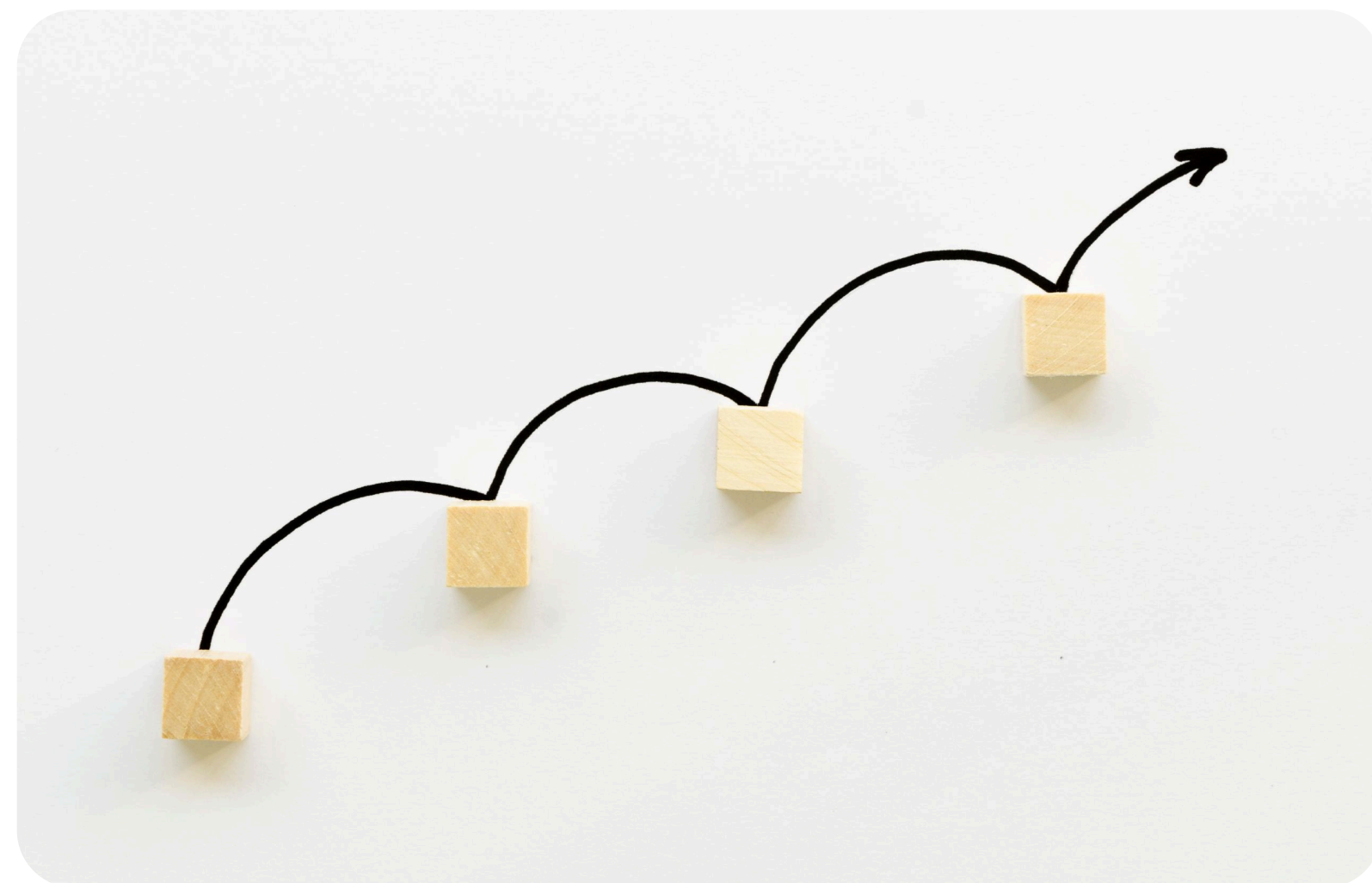
Additionally, during 2024, we launched an enhanced Customer Help Centre on our website. This became a self-learning tool that will use all the information available on our site. This is another step towards open and transparent communication with our customers.

The extensive use of AI has already allowed us to scale our business and make our services more accessible to the mass market. We have eliminated account opening and maintenance fees for customers, as well as the opening fee for local businesses.

These are several strategic initiatives for the future, including rebranding to Bilder to become a new Bilderlings trade name, and a new Five Elements Cone logotype, symbolising the global reach concept by five handshakes. Developing and launching entities and partner networks in selected countries to develop the borderless money and all things finance Bilderlings platform (easy, instant, affordable, accessible multi-currency accounts, international payments, debit cards, open banking, and embedded finance).

Our Progress

In 2024, Bilderlings Group continued advancement in developing in-house a full-scale digital payment platform architecture, including multi-currency accounts, debit cards, SEPA SCT/SEPA Inst and SWIFT channels, virtual payment cards, back-office infrastructure and automation of internal processes, automated online onboarding and AML systems and access to the banking products and services of third-party through integration with ecosystem partners.



In particular, the Bilderlings Group has:

- launched Bilderlings US Inc. as its first foreign subsidiary and laid foundations for the global Fintech platform,
- continued development of an open banking platform,
- introduced integration platform,
- extended embedded payments platform,
- started multi-licensed platform development,
- continued card payment data enrichment,
- introduced vaults,
- and offered other features to our customers.

Our Progress

The Bilderlings' app, available in AppStore and Google Play, continues to develop by adding new features, allowing users more convenience and direct access to its products and services in one interaction, anytime and anywhere. In addition, the Bilderlings Group continued adding new features to the card product range, particularly offering customers the best benefits and up-to-date technological solutions. Next year we plan to launch a new referral program, payments by phone number, eSIM services, and much more available in the app.

In 2024, Bilderlings Group continued to integrate sustainability into every aspect of business by introducing new services that are also demanded by customers to support Partners - Priceless Planet Coalition and Charity organisations - Hearts and Minds (UK) and Dr. Klauns (Latvia). To support Charity organisations, a Vault was introduced where customers can save spare change from card transactions and then donate it to Charity organisations.

Also, as part of sustainability, an analytical mechanism to view CO2 emissions was introduced to customers. Clients can analyse everyday spending and make a positive contribution to the environment by supporting the campaign with the Priceless Planet Coalition.

All these projects not only produced outstanding results but also redefined the concept of Bilderlings Group's corporate social responsibility. Beyond the numbers, they became a testament to unity within the Bilderlings Group team and an inspiring example of how a business can have a profound impact on society by fostering a spirit of community among its customers.

We strongly believe that our management team and highly skilled professionals leading various units within the Bilderlings Group will continue to demonstrate the highest performance in the coming year, whatever the volatile global economy may pose challenges.

Financial Performance and KPIs

During 2024, Bilderlings Group continued to strengthen its profitability and financial stability, generating total revenue (note 3) in 2024 €24,931,365 (2023: €16,945,613) and a net profit of €7,919,909 (2023: €4,136,323).

The Group's capital target ensures that the capital available is sufficient to support the strategy set out in the business plan and to ensure that the capital adequacy meets the regulatory requirement, including during severe economic downturns. The Group has fully complied with these requirements, holding a total equity of €12,257,236 at the end of 2024 (2023: €11,373,650). In addition, to strengthen the Group's capital resources even more, the shareholders reinvested €1,000,000 of the profit for 2023 and €3,682,632 of the interim profit for 2024 into the new shares, increasing the share capital to €11,919,959 (2023: €7,232,327).

Our customer base grew by over 33% YoY 2023, underpinning a 38% growth in revenue and a 47% increase in total income for the period. Business and personal customers trusted us to hold € 241,092,523 (2023: €178,100,217) of their money, reflecting the sustained progress of 35%. MasterCard issued cards grew up by 1,5 times against 2023, creating a jump in card transactions by 75% and generating 9% of total revenue.



Total revenue in 2024

€24,931,365

Net profit

€7,919,909

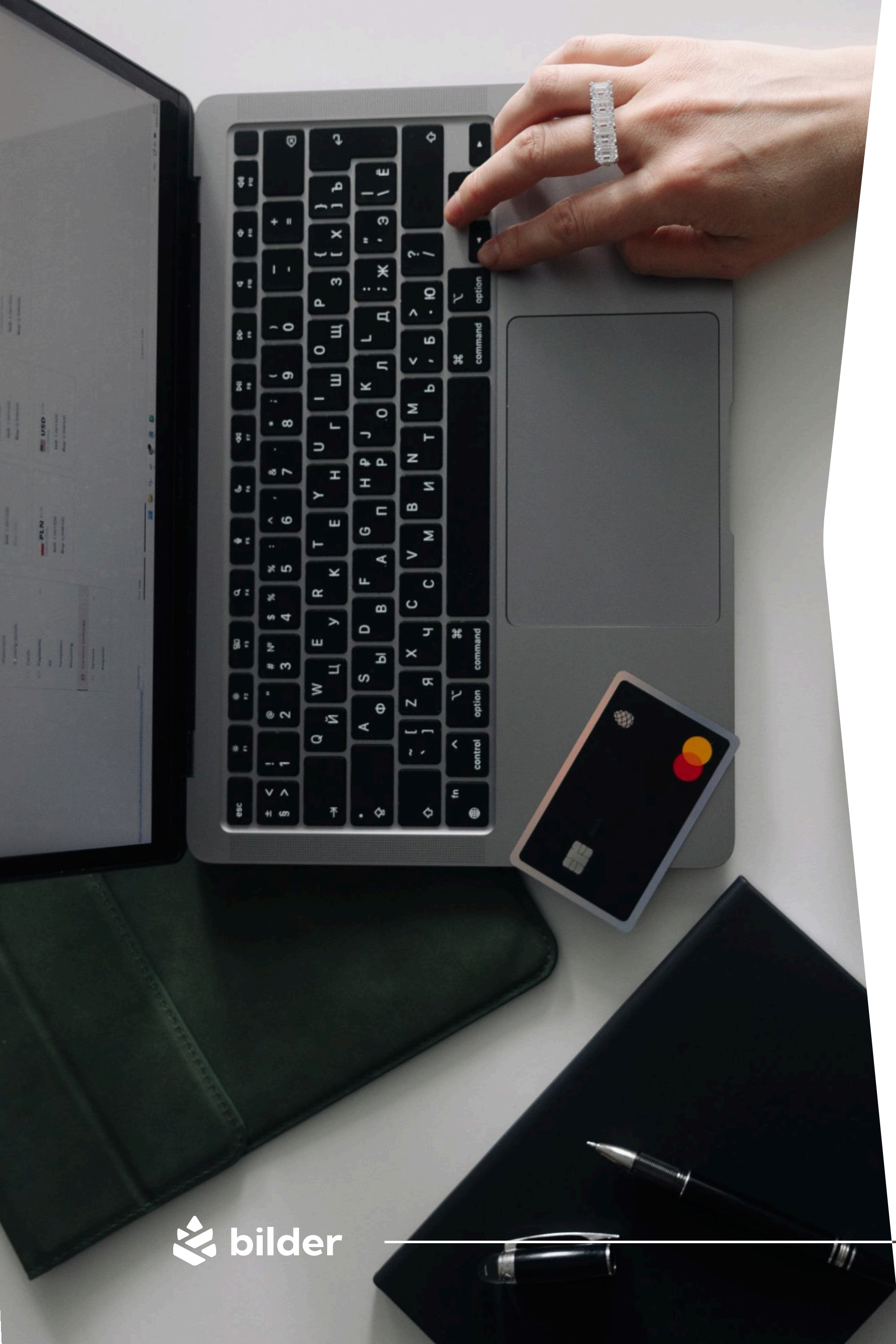
Financial Performance and KPIs

Key performance indicators (KPIs) measure the Bilderlings Group's performance against key business objectives and are reported to shareholders. Bilderlings Group periodically reviews specific analytics to have visibility of progress against its mission, focusing on whether user experience has become more streamlined over time.

Bilderlings Group's key strategic and operational KPIs are presented below, showing the increase in percentage in 2024 against the previous year:

Total revenue growth: 47%
Net profit growth: 91%
Called up share capital growth: 65%
Equity growth: 8%
ROE: 88%
Total client portfolio growth: 33%
Individual client portfolio growth: 42%
Client Money growth: 35%
Client activity growth (volume of payment transactions in&out per year): 73%





Outlook for FY25 and Beyond

We're building a sustainable, profitable business in cross-border payments and related financial services. We have a proven business model, and our investments are customer-centred and efficiently support our fast growth. In the short and medium term, our customers will have access to much wider products, features, and markets through licensed subsidiaries, instant national payment systems, and a network of partners all over the world.

Bilderlings aims to be a game-changer in the cross-border payments market, offering businesses a fast, secure, and cost-effective solution. Our AI-based products are the future of global payments, and we intend to be at the forefront of this shift, leveraging our technology to optimise transaction speeds, compliance, and security and reduce fees.

We continue to focus on the development and investments in the infrastructure, operational capabilities, and talent of our people.

We expect income growth for FY25 will be above 50%, given the good start to the year; this is amid expectations for a reduction in interest rates.

We continue to expect income growth at a CAGR above 50% over the medium term. We are targeting an EBITDA margin of above 50% over the medium term

Review of the Global Economic and Market Conditions

The Bilderlings Group's business activities, financial performance, and outlook are influenced by global and local economic developments, market conditions, and geopolitical events, which can have a significant impact on its operations and strategic direction. In 2024, economic growth has remained subdued, driven by heightened geopolitical uncertainty, persistent inflationary pressures, and the continued effects of high interest rates across key markets.

The period of stable economic growth, low inflation, and predictable monetary policy was disrupted in 2022, prompting central banks to raise interest rates, scale back quantitative easing, and initiate quantitative tightening. Consequently, global GDP growth has faced significant challenges due to inflationary pressures stemming from tight labour markets, industrial disputes, and rising employment costs; additionally, elevated energy prices, fuelled by ongoing conflicts in Ukraine and the Middle East, and robust consumer spending - particularly on services, supported by household savings - have further strained economic conditions. These factors have contributed to widespread 'cost of living' pressures, including in the UK.

Economic growth remains constrained due to persistent labour market tightness and sluggish productivity in major Western economies, coupled with substantial fiscal deficits. Additionally, elevated energy costs and strained global supply chains - exacerbated by geopolitical tensions, including the Ukraine war and conflicts in the Middle East - have further strained economic stability. As a result, central banks have been cautious in easing monetary policies, slowing the pace of interest rate reductions. In 2024, these 'higher-for-longer' rates have curbed economic activity, fuelling concerns about a potential hard-landing scenario across the US, Europe, and the UK, with possible negative repercussions for financial markets and overall economic resilience.

The EU contends with ongoing challenges, including high government debt, slow productivity growth, tight labour markets, and an aging population. Additionally, key industries such as automotive and renewable energy face growing competition from imports and the potential impact of US tariffs on exports. Trade tensions and rising protectionism, particularly measures adopted by the US, add further complexity to the global economic landscape. Tariffs and countermeasures threaten economic stability in the EU, China, and export-driven emerging markets, increasing the risk of disrupted trade flows and prolonged uncertainty. Meanwhile, China is facing economic challenges, including an aging population, high youth unemployment, reliance on imports of key technology components, and a struggling property sector; persistent debt concerns, especially in real estate, pose risks to financial stability and could have ripple effects on global markets.

Despite the challenges outlined, Bilderlings Group has demonstrated remarkable financial and operational resilience in the face of macroeconomic headwinds, including elevated interest rates, slowing GDP growth, increased cost of living, elevated energy prices, and market fluctuations.

Bilderlings Group has sustained its stability and adaptability, ending the year with profitability and strong capital adequacy. This accomplishment highlights the superior performance and competitive advantage of Bilderlings' business services, affirming our commitment to excellence and strategic foresight.

Principal Risks and Uncertainties

The Bilderlings Group operates in a dynamic and evolving environment, where effective operational risk management is essential to ensuring stability and sustainable growth. The Bilderlings Group continues to invest in its operational infrastructure, technology, processes, and human resources to minimise possible losses from inadequate or failed internal processes, technology systems, human error, and legal and cyber risks. Bilderlings Group maintains a robust operational risk management framework, ensuring comprehensive risk assessment, the implementation of effective controls, strong corporate accountability, and a firm commitment from senior management. Additionally, the Bilderlings Group places significant emphasis on recruiting and retaining skilled personnel to support its continued growth.

As an electronic money issuer, Bilderlings complies with the Financial Conduct Authority's (FCA) safeguarding and regulatory capital requirements. The management team sets stringent controls in its commitment to the Safeguarding regulations to ensure our customers' funds are fully protected. To guarantee that all safeguarding processes were, and continue to be, in line with the regulatory requirements, and as required by its regulators, since 2020, Bilderlings has conducted an annual external audit of its safeguarding arrangements with excellent results, and the next Safeguarding audit is due to take place in May 2025.

Bilderlings Group collaborates with a growing number of ecosystem banking and payment partners, outsourcing services providers, and other third parties across many lines of business. The Bilderlings Group conducts initial due diligence and assesses the risks of cooperation across various discourses, applies risk mitigations measures and then monitors the situation on an ongoing basis.

Bilderlings Group operates in an industry with a stringent and rapidly evolving regulatory landscape making it vulnerable to the risk of non-compliance with relevant regulations and laws, especially in the areas of combatting financial crime (MI, TF, PF, frauds and sanctions). The Bilderlings Group is therefore committed to promptly integrating any regulatory changes into its operational processes. To navigate these challenges, safeguard its operations, and maintain an optimal balance between risk and profitability, Bilderlings Group has implemented a robust risk management system. The Bilderlings Group takes a systematic approach to risk management, setting unified standards for identifying, assessing, and mitigating risks in line with applicable legislation, as well as the recommendations and expectations of the UK's primary financial regulator, the Financial Conduct Authority (FCA).

The Bilderlings Group handles a large number of transactions in customers' funds and, therefore, is subject to potentially increased financial crime risk. Consequently, the Bilderlings Group faces the risk of non-compliance with Anti-Money Laundering/Combating, the Financing of Terrorism, Proliferation (AML/CFT/CPF) guidance and legislation, and key sanctions lists. It is, in addition, subject to potential losses due to breaches of its Terms & Conditions of business by its customers. To mitigate this risk and make its activities more productive, Bilderlings Group has dedicated considerable effort and time to eliminating low-value AML/CFT/CPF activities, automating more of its processes, enhancing sanctions controls, implementing more advanced analytics, including detailed reviews of customer activities like screening all customers on a daily basis and ongoing monitoring of transactions.

Principal Risks and Uncertainties

To ensure Bilderlings Group has adequate AML, CTF, CPF and Sanctions systems and controls an external Audit is conducted on a periodic basis with the next due to commence in September 2025.

Cyber security threats that could potentially compromise the Bilderlings Group's business services, infrastructure, customer data, and confidential information remain a principal risk for Bilderlings. With the rapid advancement of cyber threats, including AI-driven attacks, ransomware, and supply chain vulnerabilities, the risk landscape continues to evolve. To effectively counter these threats, Bilderlings Group is focused on developing resilient technologies and processes, improving employee training, and conducting regular external testing and audit activities. In addition, the management team is prioritising the identification of critical business activities and their risks, strengthening cybersecurity measures for remote and hybrid work environments, and enhancing system resilience against emerging threats. The Bilderlings Group is also actively monitoring regulatory changes and compliance requirements, ensuring adherence to the latest industry standards and data protection laws. Through the implementation of advanced threat intelligence, automation-driven security protocols, Bilderlings Group is committed to mitigating cyber risks, reducing their impact on business operations, and safeguarding critical data.

As a digital financial services provider, Bilderlings Group processes a substantial volume of confidential information, including Bilderlings and employee data. This necessitates adherence to personal data protection and privacy laws. Bilderlings Group has continued undertaking necessary security and organisational measures in relation to handling personal data. To ensure we have secure and resilient business services supported by robust data protection frameworks and systems, Bilderlings Group periodically involves third parties specialising in IT systems security stress testing. In addition to the above, Bilderlings Group implemented a centralised Risk Management Framework tool for effective risk management. This will make Bilderlings Group risk management agile, proactive, flexible, and less vulnerable to unknown risks or threats, which is crucial for a successful business.





Consumer Duty

The introduction of the Consumer Duty requirements in 2023 set a new standard in UK consumer regulation, requiring firms to prioritise good outcomes for retail customers. Having established compliance in 2023, we have further strengthened our procedures and operations throughout 2024, embedding Consumer Duty more deeply into our approach to customer care and risk management.

We have enhanced our ability to measure and improve customer outcomes by systematically collecting and analysing key metrics, including customer satisfaction, the clarity and effectiveness of our communications and support, and root cause analysis of complaints.

We place special focus on identifying and supporting vulnerable customers, ensuring their needs are met. Additionally, we continuously refine our risk management and business continuity strategies, closely monitoring incidents to assess and mitigate their impact on customers.

We remain committed to ongoing improvement in line with Consumer Duty principles, reinforcing our dedication to delivering good outcomes and customer-centric excellence as a core part of our strategy.

Zero Tolerance Towards Fraud, Bribery and Corruption

Bilderlings is committed to preventing financial crime and ensuring that our services are not used for illicit activities or money laundering.

We uphold a zero-tolerance policy towards bribery and corruption, ensuring integrity, fairness, and professionalism in all business dealings.

As part of our fraud prevention efforts, we are registered with [Pay.UK](https://www.wearepay.uk/) [https://www.wearepay.uk/] under the Authorised Push Payment (APP) Fraud Reimbursement Policy within the Faster Payments System (FPS), ensuring victims are reimbursed within five working days, with payment services providers sharing fraud losses.

We have updated our internal processes to meet FPS fraud reporting obligations and continue to enhance fraud controls to address evolving fraud tactics. We remain vigilant in reporting suspected fraud and protecting sensitive information.



ESG

In 2024, Bilderlings Group introduced a comprehensive Environmental, Social, and Governance (ESG) policy, reflecting our commitment to sustainability, social responsibility, and robust governance. This includes initiatives to reduce carbon footprints, promote inclusivity and human rights, and ensure ethical decision-making and transparency across all operations.

We partner with Mastercard's Priceless Planet Coalition on a tree-planting programme [<https://bilderlings.com/trees/>] and offer a CO2 calculator to help customers track their carbon impact. Moving forward, third-party audits will be conducted to assess and refine our sustainability efforts.

Bilderlings Group prioritises paperless operations, with 100% online account opening and virtual cards to reduce plastic waste. We promote electronic document storage, recycling, and refurbishing equipment while using energy-efficient technologies and green office practices.

Our 'Smile Exchange' initiative [<https://bilderlings.com/saving-smiles/>] supports hospital clown doctors in the UK and Latvia, providing emotional relief to children in medical care. Employees actively engage in volunteer work and donations.

We foster a culture of respect, inclusion, and integrity by prohibiting discrimination and ensuring equal opportunities. Our operations align with global human rights frameworks, and we maintain high labour and safety standards.

Bilderlings Group operates under a strong governance framework, with clear roles and responsibilities. As part of our future plans, the Code of Business Conduct will be implemented across all departments to uphold integrity and compliance.

Section 172 (1) Statement

The main governance body of the Bilderlings Group is the Board of Directors, which is responsible for the prosperity of Bilderlings, leading the Bilderlings Group and supervising its business direction while seeking to develop a culture of good governance. The Bilderlings Group is a values-driven organisation. From the very beginning, Bilderlings Group has been committed to maintaining high legal, ethical, and moral standards, adhering to the principles of integrity, objectivity and honesty and wishes to be seen as opposed to fraud, bribery, and corruption in the way that it conducts its business. The Board is committed to high standards of business conduct and lawful, efficient, and fair business practices, encompassing its long-term strategy. This includes how the Bilderlings Group serves its clients and operates and behaves towards shareholders, partners, employees, and other stakeholders. In addition, the Board is responsible for developing and maintaining open and fair interaction and a transparent culture between Bilderlings Group and its stakeholders, considering it the key to the Bilderlings Group's overall success.

Bilderlings Group informs its shareholders about its financial performance, holding meetings regularly to demonstrate how the long and short-term strategies of the Bilderlings Group are being met. In addition, Bilderlings' strategic plan and business model have been developed and periodically reviewed to have a long-term positive effect on the Bilderlings Group's success while considering the interests and concerns of its customers, partners, suppliers, employees, and the impact of operations on the environment and communities.

Bilderlings Group provides e-money, payment processing and digital payment services offering international and domestic bank transfers, debit cards, currency exchange and third-party financial services to corporate and individual clients. The primary purpose of Bilderlings Group' strategy is to help clients achieve sustainable economic growth, improve their financial well-being, and promote the accessibility of financial services globally. To achieve this goal, Bilderlings Group will continue to build its business with a high emphasis on real customer needs, focusing on a more extraordinary, more streamlined user experience, maintaining robust client relationships, and securing an empowering environment for its employees.

As a digital fintech platform, Bilderlings Group collaborates openly and fairly with many ecosystem partners and suppliers all over the world. The valuable partnership offering is extended to the ecosystem partners' products, services and channels and the partner and client journey.

On behalf of the Board

Mrs. S. Krasovska

Director





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It is important to always be able to contact those you have entrusted with your welfare

bilderlings.com

assist@bilderlings.com

13 Regent Street, London, United Kingdom, SW1Y 4LR

June 2025
