

Fundvest UAB

Independent auditor's report,
annual report and financial
statements for the year, ending
on 31 December 2022*

*This version of the report is a translation from the original, which was prepared in Lithuanian language. All possible care has been taken to ensure that the

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fundvest UAB

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fundvest UAB (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The Company's financial statements for the year ended 31 December 2021 have not been audited.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our response to it is described below.

Key audit matter	Our response to the matter of the audit
Compliance with legal requirements The Company must comply with the requirements of the law in the conduct of its business. The main requirements identified and complied with by the Company are capital adequacy and liquid assets. The calculation of the Company's capital adequacy and liquid assets ratios and the achievement of their required ratios are disclosed in note 4 to these accompanying financial statements.	We performed the following audit procedures: We understood how the Company calculates capital adequacy and liquid assets ratios and assessed the existence and application of related control procedures. We reviewed the Company's calculations of capital adequacy and liquid assets and assessed the bases used in the calculations from which the components of capital adequacy and liquid assets are calculated. We also assessed the adequacy of the disclosures in note 4 to the financial statements.

Other Information

The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether annual report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's annual report has been prepared in accordance with the requirements of the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the decision made by Company's General Meeting of Shareholders on 14 September 2022 we have been chosen for the first time to carry out the audit of Company's financial statements. The total uninterrupted period of engagement is 2 years.

We confirm that our opinion in the section 'Opinion' is consistent with the audit report on the financial statements which together with this auditor's report, we have issued to the Company

We confirm that in light of our knowledge and belief, services provided to the Company are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of audit, we have not provided any other services except for audit of financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Mindaugas Dailyda.

UAB TaxLink auditas
Audit company certificate No. 001494



Mindaugas Dailyda
Certified auditor
Auditor's certificate No. 000593

Vilnius, Republic of Lithuania
31st March 2023

1. An objective overview of the Company's situation, performance and development, a description of the main risks and uncertainties facing the Company; an analysis of its financial performance, information on staffing issues; information on financial risk management objectives.

Fundvest UAB (hereinafter referred to as the "Company"), Company code 305667997, registered at Konstitucijos pr. 15-93, LT-09319 Vilnius, Republic of Lithuania.

The Company's authorised capital is EUR 443 000. The Company's equity is shown in the statement of changes in equity, which forms an integral part of these financial statements.

In 2022, the Company generated revenue of EUR 44 481, of which: commission income of EUR 640 and service income of EUR 43 841. The Company does not own any financial assets.

Costs in 2022 amounted to EUR 197 137, of which: services and commissions - EUR 1 890, personnel expenses - EUR 125 468, administration expenses - EUR 69 779.

The Company's loss for 2022 was EUR -127 242.

The Company's assets as at 31 December 2022 amounted to EUR 381 247. Shareholders' equity as at 31 December 2022 amounts to EUR 315 758. The Company's liabilities at 31 December 2022 amount to EUR 65 489.

At the beginning of the reporting year, the Company had 1 employee. The average number of employees in 2022 was 5. At the end of the year, the Company had 5 employees.

The principal activities of the Company are:

1. receiving and transmitting orders (executed by Saxo Bank);
2. Custody, administration and management of financial instruments on behalf of clients, including custody of assets and other related services such as cash custody, except for the management of securities accounts at the highest level in accordance with Chapter VI of the Law on Securities of the Republic of Lithuania (securities are held by Saxo Bank and cash is held by Šiaulių Bankas);
3. foreign exchange services in connection with the provision of investment services (provided by Saxo Bank).

The Company analyses, evaluates, accepts and manages the risks or groups of risks to which it is exposed in the course of its business. The primary objective of the Company's operational risk management is to ensure the timely identification of risks that may threaten the Company's business continuity and capital adequacy and the application of measures to manage those risks. The Company has in place appropriate policies and procedures to manage risks.

The following main financial risk management procedures are applied in the Company's operations:

- Capital Adequacy Supervision - The Company is required to meet the capital adequacy ratio calculated in accordance with the Capital Requirements Directive 2013/36/EU and Regulation 575/2013 (CRD IV/CRR), with an assessment carried out at the end of each quarter and a report submitted to the Supervisory Authority.
- Internal capital adequacy assessment, stress testing - risk identification, materiality assessment, capital requirement determination, reporting, business continuity planning, etc.
- Identifying, assessing, monitoring, advising and reporting on compliance risks.
- Enforcement of internal controls.

In accordance with the Company's risk management policy, the capital requirement to cover the risks incurred is calculated internally for the Company's internal purposes (the Company's internal capital). The Company's internal capital adequacy is calculated to ensure that the Company always has sufficient equity capital to meet its obligations.

The main risks that may affect the Company's operations are the following ones.

Credit and counterparty risk is the probability that a counterparty will be unable to meet its contractual obligations in the future and the Company will suffer a loss as a result. This risk arises when the date of the transaction is different from the transaction date. Counterparty credit risk also includes settlement risk, deferred payment risk and default risk. The Company does not carry out any credit operations and transactions are only executed on regulated markets, without any deferral of payment, etc.

Operational risk is the risk of loss due to inadequate or unimplemented internal control processes in the Company's operations, employee errors and/or malpractice, information system failures and the impact of external events. The management of this risk in the Company is governed by the adopted procedures and policies: order execution policy, order execution procedure, conflict of interest management policy, rules for the provision of investment services, rules for the classification of clients into professional and non-professional, etc.

Liquidity risk is the risk that the Company will not have sufficient financial resources to meet its obligations when due and will not be able to obtain them in the short term by borrowing or selling its assets. The Company's policy is to maintain sufficient cash and cash equivalents to meet its scheduled obligations.

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Market risk is the risk of losses due to adverse changes in exchange rates, share prices or interest rates in the market.

Foreign currency risk is the risk of losses due to fluctuations in foreign exchange rates. The Company does not undertake transactions that result in open currency positions in the expectation of earning a profit from movements in exchange rates.

Interest rate risk is the risk of loss due to mismatches in the revaluation potential of the Company's assets and liabilities. The Company's policy is to avoid speculation on future interest rates.

Securities price risk is the risk of loss due to a decline in the fair value of the Company's securities. The Company's policy is not to purchase securities of unknown markets/issuers. The Company applies limits on securities bought and sold in accordance with the capital adequacy calculation procedures.

Capital adequacy supervision is carried out in accordance with the Capital Requirements Directive 2013/36 and Directive 2019/2034, which amends Directive 2013/36, and Regulation 575/2013 (CRD IV/CRR) and Regulation 2019/2033, which amends Regulation 575/2013, the Basel III standards, and the legislation of the Republic of Lithuania.

The Company must have own funds in such a way that these conditions are met at all times:

- Tier 1 capital (CET1 Capital) / minimum initial capital > 56%;
- Tier 1 Capital (T1 Capital) / minimum initial capital > 75%;
- Total Capital / minimum initial capital > 100%.

The Company meets its capital adequacy ratios and has sufficient liquid capital to cover operational risks.

2. The number of the Company's own shares acquired or disposed of during the financial year under review, the amount of their nominal values and the proportion of the Company's share capital represented, and the justification for such acquisitions or disposals.

The Company did not acquire or dispose of treasury shares in 2022, 2021.

3. Information on the Company's branches and representative offices.

The Company has no branches or representative offices. The location of the customer service is the same as the address of the registered office.

4. Information on the Company's research and development activities.

The Company has created a modern, cloud-based core banking system that seamlessly connects to the mobile app, also designed in a modern, hybrid, cross-platform way. To date, this project has brought together a large amount of system architecture and engineering expertise into a solution that can be easily scaled up without major redesign, a solution that will allow Fundvest to grow faster than many competitors and outpace traditional banks in terms of product innovation. Future R&D activities include integration with several brokerage firms, banks and payment service providers, all without significantly increasing system's complexity. The theoretical thinking behind the system architecture is based on the book 'The Invisible Complexity' by co-founder and CTO Martins Untals. In addition to new integrations, the Company's system will also be extended to be web-enabled, and the Company will invest in research into various social networking features to facilitate investment and financial education for its users.

5. The Company's plans and forecasts.

The Management does not foresee any significant changes in the Company's operations in accordance with the approved business plan for 2023. The Management's main objectives for 2023 are to increase the Company's services to non-affiliated customers, to control costs and to achieve the planned performance indicators.

6. Information on other managerial positions held by the Company's CEO, members of the Management Board in other companies and information on their main place of work.

Management Board at the end of 2022:

The Chairman - EGON ORAV;

Member - OTTOMAR PAEVÄLI;

Member – MARTINS UNTALS;

Member – SANDER SIIM VAHER.

The CEO of the Company is Rasmus Klaassen.

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Involvement of the Management Board members and the CEO in the activities and management of other companies:

Chairman of the Management
Board Egon Orav

Company	Company code	Position	Ownership share
Fundvest OÜ	14918954	Owner/Member of the Board	12.50%
FinPeaks OÜ	14886355	Owner/Member of the Board	50.00%
PLANTEARTH OÜ	14981421	Owner/Member of the Board	20.00%
FinCorpore OÜ	16306847	Owner/Member of the Board	100.00%
FinCorpore Solutions OÜ	16319643	Owner/Member of the Board	100.00%
FinCorpore Group OÜ	16337150	Owner/Member of the Board	100.00%
FP Ventures OÜ	16172648	Owner/Member of the Board	50.00%
Stebby OÜ	12231911	Member of the Board	No direct ownership

Member of the Management Board Ottomar Paeväli

Company	Company code	Position	Ownership share
Fundvest OÜ	14918954	Owner/Member of the Board	4.09%
OÜ Mod2	16488185	Owner/Member of the Board	100%

Member of the Management Board Sander Siim Vaher

Company	Company code	Position	Ownership share
Fundvest OÜ	14918954	Owner/Member of the Board	23.76%
Finceptiv OU	14563072	Shareholder	20.73%
SSV Holdings OU	14039371	Member of the Board	100%
Fino Venture OU	16063267	Member of the Board	50%
Official Relations OU	14676416	Member of the Board	50%
Stardipaik Crowdfunding MTU	80586864	Member of the Board	N/A
New Frontier Services OU	14885387	Member of the Board	100%
Instalord OU	14016281	Shareholder	10%
GF Global Finance Hungary	29161238-2-42	Managing Director	100%

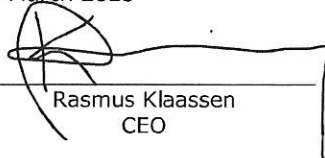
Member of the Management Board Martins Untals

Company	Company code	Position	Ownership share
Fundvest OÜ	14918954	Owner/Member of the Board	20.02%
SIA M37	40103419245	Owner/Member of the Board	100%
M38 OÜ	14399129	Owner/Member of the Board	100%

CEO Rasmus Klaassen

Company	Company code	Position	Ownership share
Fundvest OÜ	14918954	Member of the Board	25.68%
Endel Capital OÜ	14094252	Owner/Member of the Board	100%
Saarekaru OÜ	16180688	Owner/Member of the Board	100%

31 March 2023


Rasmus Klaassen
CEO

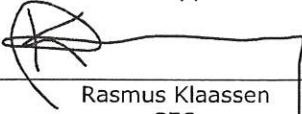
STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2022

(all amounts in euro, unless otherwise specified)

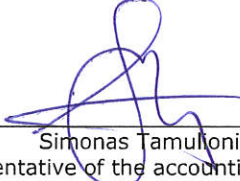
	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	5	105 389	200 000
Loans and receivables	4,6	3 144	-
Other assets	7	2 400	-
Total current assets		110 933	200 000
Fixed assets			
Intangible assets	8	133 876	-
Loans to parent company	4,6	114 170	-
Deferred income tax assets	15	22 268	-
Total fixed assets		270 314	-
TOTAL ASSETS		381 247	200 000
LIABILITIES AND EQUITY			
PAYABLES AND LIABILITIES			
Accounts payable and liabilities within one year			
Income tax payable		-	-
Employment-related liabilities	9	28 325	-
Other payables and liabilities	9	37 164	-
Total payables and liabilities within one year		65 489	-
TOTAL PAYABLES AND LIABILITIES		65 489	-
EQUITY			
Authorised capital	10	443 000	200 000
Mandatory reserve		-	-
Other reserves		-	-
Retained earnings (losses)		(127 242)	-
TOTAL EQUITY		315 758	200 000
TOTAL LIABILITIES AND EQUITY		381 247	200 000

The following notes are an integral part of these financial statements.

The financial statements were approved and signed on 31 March 2023:



Rasmus Klaassen
CEO



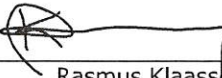
Simonas Tamulionis
(Representative of the accounting company)

**PROFIT AND LOSS STATEMENT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDING 31 DECEMBER 2022.**
(all amounts in euro, unless otherwise specified)

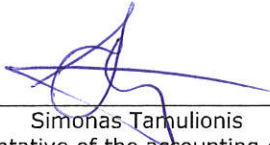
	Notes	2022	2021
Operating income			
Service and commission income	11	640	-
Revenue from IT services provided	11	43 841	-
Foreign exchange gains/(losses), net		-	-
Other operating income		-	-
Total operating income		44 481	
Operating expenses			
Cost of services and commissions	12	(1 890)	-
Personnel expenses	12	(125 468)	-
Other administration expenses	12	(69 779)	-
Depreciation		-	-
Total operating expenses		(197 137)	
Operating profit			
Interest income	13	3 146	-
PROFIT OR (-) LOSS BEFORE TAX		(149 510)	
Income tax	15	22 268	-
PROFIT OR (-) LOSS		(127 242)	

The following notes are an integral part of these financial statements.

The financial statements were approved and signed on 31 March 2023:



Rasmus Klaassen
CEO



Simonas Tamulionis
(Representative of the accounting company)

Fundvest UAB


305667997, Konstitucijos pr. 15-93, Vilnius

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON 31 DECEMBER 2022**
(all amounts in euro, unless otherwise specified)

	Paid-up share capital or core capital	Compulsory or reserve capital	Other reserves	Retained earnings (losses)	Total
Balance as at 31 December 2020	2 500	-	-	-	2 50
Recalculated balance as at 31 December 2020	2 500	-	-	-	2 50
Net profit (loss) for the period	-	-	-	-	-
Dividends	-	-	-	-	-
Increase in authorised capital	197 500	-	-	-	197 50
Other benefits	-	-	-	-	-
Reserves established	-	-	-	-	-
Reserves used	-	-	-	-	-
Balance as at 31 December 2021	200 000	-	-	-	200 00
Net profit (loss) for the period	-	-	-	(127 242)	(127 242)
Dividends	-	-	-	-	-
Increase in authorised capital	243 000	-	-	-	243 00
Other benefits	-	-	-	-	-
Reserves established	-	-	-	-	-
Reserves used	-	-	-	-	-
Balance as at 31 December 2022	443 000	-	-	(127 242)	315 75

The following notes are an integral part of these financial statements.

The financial statements were approved and signed on 31 March 2023:


 Rasmus Klaassen
 CEO


 Simonas Tamulionis
 (Representative of the accounting company)

Fundvest UAB

305667997, Konstitucijos pr. 15-93, Vilnius

**CASH FLOW STATEMENT
FOR THE YEAR ENDED ON 31 DECEMBER 2022**
(all amounts in euro, unless otherwise specified)


Notes	2022	2021
Cash flows from operating activities		
Amounts received for services and commissions	640	-
Amounts received for IT services rendered	-	-
Amounts paid for services	(47 207)	-
Cash payment to employees	(224 943)	-
Taxes paid	(4 570)	-
Cash outflows from other operating activities	(2 431)	-
Cash inflows from other operating activities	55 070	-
Net cash flows from operating activities	(223 441)	
Cash flows from investment activities		
Loans granted	(114 170)	-
Repayment of loans granted	-	-
Interest received	-	-
Net cash flows from investment activities	(114 170)	
Cash flows from financing activities		
Issue of shares	243 000	197 500
Dividends paid	-	-
Other cash outflows from financing activities	-	-
Net cash flows from financing activities	243 000	197 500
Effect of exchange rate changes on cash balances	-	-
Net increase (decrease) in cash flows	(94 611)	197 500
Cash at the beginning of the period	200 000	2 500
Cash at the end of the period	105 389	200 000

The following notes are an integral part of these financial statements.

The financial statements were approved and signed on 31 March 2023:



Rasmus Klaassen
CEO



Simonas Tamulionis
(Representative of the accounting company)

EXPLANATORY NOTE
FOR THE YEAR ENDED ON 31 DECEMBER 2022
(all amounts in euro, unless otherwise specified)

1. General information

Fundvest UAB, legal entity code 305667997 (hereinafter referred to as the "Company") was registered in the Register of Legal Entities of the Republic of Lithuania on 11 December 2020.

The address of the Company's registered office is Konstitucijos pr. 15-93, Vilnius.

The authorised capital of the Company is EUR 443 000 (four hundred and forty-three thousand euro and 0 cents), consisting of 443 000 registered ordinary shares with a nominal value of EUR 1 each. All shares are fully paid up. The authorised capital of the Company has changed as follows:

The Company was incorporated on 11-12-2020 with:

authorised capital of EUR 2 500, nominal value per share EUR 1, number of shares 2 500.

On 02.09.2021, the share capital was increased to EUR 200 000, with a nominal value of EUR 1 per share and a number of 200 000 shares;

On 28.06.2022, the share capital was increased to EUR 230 000, with a nominal value of EUR 1 per share and 230 000 shares;

On 12.08.2022, the authorised capital was increased to EUR 255 000, with a nominal value of EUR 1 per share and a number of 255 000 shares;

On 27.09.2022, the authorised capital was increased to EUR 355 000, with a nominal value of EUR 1 per share and a number of 355 000 shares;

On 28.12.2022, the authorised capital was increased to EUR 443 000, with a nominal value of EUR 1 per share and a number of 443 000 shares.

The Company had not purchased any of its own shares.

The sole shareholder of the Company at all times was and is Fundvest OÜ 14918954.

There have been no transfers, sales or other changes in the Company's shares during 2021 and 2022.

The Company holds a Category B Brokerage Firm Licence No B4 issued by the Bank of Lithuania on 11 January 2022. The licence entitles the Company to provide the following investment services:

- foreign exchange services in connection with the provision of investment services;
- receiving and transmitting orders;
- Custody, accounting and management of financial instruments for the account of clients, including safekeeping of assets and other related services such as cash or financial collateral management, except for the management of securities accounts at the highest level in accordance with Chapter VI of the Law on Markets in Financial Instruments.

The principal activities of the Company are:

- receiving and transmitting orders (executed by Saxo Bank);
- Custody, administration and management of financial instruments on behalf of clients, including custody of assets and other related services such as cash custody, except for the management of securities accounts at the highest level in accordance with Chapter VI of the Law on Securities of the Republic of Lithuania (securities are held by Saxo Bank and cash is held by Šiaulių bankas);
- foreign exchange services in connection with the provision of investment services (provided by Saxo Bank).

The average number of employees in 2022 was 5 (1 in 2021). At the end of the reporting year, the Company had 5 employees. At the end of the previous reporting year, the Company had 1 employee.

2. Governing bodies

According to the Articles of Association, the governing bodies of the Company are:

- general meeting of shareholders;
- a collegiate management body – the Management Board;
- the single-person management body – a CEO (the Company's chief executive officer).

Management Board at the end of 2022:

- EGON ORAV – Chairman of the Management Board;
- OTTOMAR PAEVÄLI – Member of the Management Board;
- MARTINS UNTALS – Member of the Management Board;
- SANDER SIIM VAHER – Member of the Management Board.

The Company's CEO Rasmus Klaassen.

**EXPLANATORY NOTE
FOR THE YEAR ENDED ON 31 DECEMBER 2022**
(all amounts in euro, unless otherwise specified)

3. Accounting policy

3.1. Accounting policy

These financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") effective 31 December 2022. The financial statements are prepared on the historical cost basis, except for financial instruments measured at fair value through profit or loss. Historical cost is based substantially on the fair value of the consideration paid for the asset.

Data on a legal entity is collected and stored in the Register of Legal Entities of the Republic of Lithuania.

The Company organises its accounting and prepares its financial statements in accordance with the IFRS, the Accounting Law of the Republic of Lithuania and the Law on Financial Reporting of the Republic of Lithuania.

The financial year of the Company is the same as the calendar year.

The Company's accounting records and these financial statements are prepared and presented in the monetary unit of the Republic of Lithuania, the euro.

The cash flow statement is prepared using the direct method.

The management of the Company has approved the following financial statements as at 31 March 2023. The shareholders of the Company have the legal right to approve or disapprove these financial statements and to require management to prepare new financial statements.

The accounting principles applied in the preparation of the financial statements are the same as those applied in the previous financial year, except that:

3.2. Application of new and/or amended IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations

During the year ended 31 December 2022, the Company adopted the IFRS, amendments to the IFRS and the IFRIC for the first time:

"Revenue before intended use", "Loss-making contracts - contract completion costs", "Reference to the Conceptual Framework" - narrow-scope amendments to IAS 16, IAS 37 and IFRS 3, and the Annual Improvements to International Financial Reporting Standards for the 2018-2020 cycle - Amendments to IFRS 1, IFRS 9, IAS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022).

- The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment the proceeds from the sale of a manufactured asset while the entity is preparing the asset for its intended use. The proceeds from the sale of such an asset, as well as the cost of its production, are now recognised in profit or loss. An entity will apply IAS 2 to determine the cost of such assets. Cost will not include depreciation of the asset under test because it is not yet ready for its intended use. The amendment to IAS 16 also clarifies that an entity 'tests whether an asset functions properly' when it assesses the technical and physical performance of an asset. The financial indicators associated with the asset are not relevant to this assessment. Therefore, an asset may be operating in accordance with management's intended use and be subject to depreciation before it achieves management's intended performance.
- The 37th amendment clarifies the meaning of "contract performance costs". The amendment clarifies that costs directly related to the performance of the contract include additional costs for the performance of the contract; and how other costs directly related to the performance of the contract are allocated. The amendment also clarifies that, before making a separate provision for a loss contract, an entity recognises any impairment loss on an asset used in the performance of a contract, rather than on an asset allocated to that contract.
- IFRS 3 has been amended to refer to 2018. The Conceptual Framework for Financial Reporting to determine what constitutes an asset or liability in a business combination. It was also clarified that the acquirer should not recognise a contingent asset as defined in IAS 37 at the acquisition date.
- The amendment to IFRS 9 identifies the charges that should be included in the 10% test for derecognition of financial liabilities. The costs or charges could be paid to third parties or to the lender. Under the amendment, costs or charges to third parties will not be included in the 10 % test.
- Example 13 in IFRS 16 was amended to remove the example of payments made by a lessor for leasehold improvements. The purpose of the amendment is to remove any potential uncertainty in accounting for lease incentives.
- IFRS 1 provides an exemption that is permitted if a subsidiary adopts IFRSs later than its parent.
- The requirement for entities to exclude cash flows for tax purposes in fair value measurements in accordance with IAS 41 is removed. This amendment was adopted for consistency with the Standard's requirement to discount after-tax cash flows.

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The Company's management has assessed that these amendments have no impact on the Company's financial statements.

'Lease discounts related to COVID-19' - Amendments to IFRS 16 (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021).

In May 2020, an amendment to IFRS 16 was issued that provides an optional practical expedient (an exception) that allows lessees not to assess whether a lease concession related to COVID-19 that resulted in a reduction in lease payments due on or before 30 June 2021 was a lease amendment. An amendment published on 31 March 2021 extended the effective date of this practical expedient/exception from 30 June 2021 to 30 June 2022.

The Company's management has assessed that these amendments do not have a material impact on these financial statements as the Company is not subject to the discounts associated with COVID-19.

Standards, amendments and interpretations adopted in the European Union but not yet effective that the Company has not early adopted: Amendments to IAS 1 and IFRS 2 Practice Guidance - Disclosure of Accounting Policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

The amendments to IAS 1 require entities to disclose significant accounting policy information rather than significant accounting policies. The amendment provides a definition of significant accounting policy information. The amendment also clarifies that accounting policy information is considered significant if, without it, users of the financial statements would not be able to understand other material information disclosed in the financial statements. The amendment provides examples of accounting policy information that is likely to be considered material to an entity's financial statements. In addition, the amendments to IAS 1 clarify that it is not necessary to disclose immaterial accounting policy information. However, if disclosed, it should not obscure material accounting policy information. This amendment was accompanied by an amendment to the IFRS 2 Practice Guidance 'Making Judgements about Materiality', which provides guidance on applying the concept of materiality to disclosures about accounting policies.

The Company's management expects to review the accounting policy disclosures.

Amendments to IAS 8 - Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 8 clarify how entities should distinguish changes in accounting policies from changes in accounting estimates.

The Company's management is currently assessing the impact of these amendments on its financial statements.

Deferred Income Tax on Assets and Liabilities Arising from a Single Transaction - Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 specify how to account for deferred income tax on transactions such as leases and decommissioning liabilities. In the circumstances, entities are permitted not to recognise deferred income tax when they first recognise an asset or liability. In the past, there was some uncertainty about whether the exemption applied to transactions such as leases and decommissioning liabilities, i.e., transactions for which both assets and liabilities are recognised. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred income tax on such transactions. The amendments require entities to recognise deferred income tax on transactions that give rise to equal amounts of taxable and deductible temporary differences on initial recognition.

Management is currently assessing the impact of these amendments on its financial statements.

'Insurance Contracts' - IFRS 17 (published on 18 May 2017, amended on 1 January 2021 and effective for annual periods beginning on or after 1 January 2023). IFRS 17 replaces IFRS 4, which gave entities the option to continue to apply current practice for accounting for insurance contracts. This made it difficult for investors to compare the financial performance of insurance companies that would otherwise be similar. IFRS 17 is a single standard that sets out recognition, measurement, presentation and disclosure requirements for all types of insurance contracts, including reinsurance contracts held by insurers. The standard requires similar principles to be applied to existing reinsurance contracts and investment contracts with discretionary participation features.

Amendments to IFRS 17 and Amendment to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023), Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments include various adjustments to facilitate the application of IFRS 17, simplify some of the requirements of the standard and simplify the transition to the standard.

In the opinion of the Company's management, IFRS 17 will not have a material impact on the Company's financial statements as it does not have insurance business.

3.3. Basic accounting principles

Economic entity principle. The Company is a separate accounting entity and only the Company's assets, equity, liabilities, income and expenses, and cash flows are recorded and shown in the financial statements.

Going concern principle. The preparation of the financial statements assumes that the Company's activities continue indefinitely and that there are no reasons that would require the liquidation of the Company or a material reduction in the Company's activities.

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Consistency principle. The Company applies an accounting policy either continuously or for a sufficiently long period of time, unless significant events or circumstances make it necessary to change it. Changes in the classification of items in the financial statements or in the presentation of information shall be made only when it becomes apparent that the accounting policies used do not give a true and fair view of the Company's results and financial position.

Monetary unit principle. All of the Company's assets, equity, liabilities and transactions are expressed in terms of money in the financial statements.

Revenue recognition principle. Transactions are recognised when they occur, not when money is received, and are recorded and included in the financial statements in the periods to which they relate. Revenue is earned when earned and expenses incurred when incurred, irrespective of whether cash is received or paid.

Matching principle. The Company relates revenue earned during the reporting period to the costs incurred in earning that revenue, i.e., the costs are recognised in the period in which the related revenue is earned.

Conservatism principle. The Company shall select accounting policies that do not result in an unreasonable overstatement or understatement of its assets, equity and liabilities, income and expenses.

Content relevance principle. The Company focuses on the substance and meaning of transactions and events in its disclosures over formal presentation requirements. The Company records and presents transactions and events in the financial statements in accordance with their content and economic meaning, even when the presentation differs from the legal form.

3.4. Accounting of financial assets

Financial assets are cash and cash equivalents, contractual rights to receive cash or other financial assets, contractual rights to exchange financial instruments with another party on terms that may be favourable to the other party, equity instruments of other entities and contracts that will or may be settled with the Company's own equity instruments.

Cash and cash equivalents represent cash on hand and cash in bank accounts, demand deposits and other short-term liquid investments (initial maturity up to 3 months) that are readily convertible into cash and have insignificant risk of change in value.

At initial recognition, financial assets are measured at their fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset (other than a financial asset for which changes in fair value are recognised in profit or loss) are added to or deducted from the fair value of the financial asset, as appropriate, at initial recognition. Transaction costs directly attributable to financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are divided into:

- measured at amortised cost;
- measured at fair value, the change in which is recognised in other comprehensive income;
- measured at fair value through profit or loss.

Financial assets are measured at amortised cost if both of the following conditions are met:

- financial assets are held according to a business model whose objective is to hold financial assets for the purpose of collecting contractually agreed cash flows;
- the terms of the financial asset contract may raise at specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- financial assets are held according to a business model that achieves its objective by collecting contractually agreed cash flows and selling the financial assets;
- the terms of a financial asset contract may result in cash flows that are solely payments of principal and interest on the principal outstanding at specified dates.

This group may also include investments in equity securities for which subsequent changes in fair value are elected to be recognised in other comprehensive income on initial recognition. These investments may not be subsequently reclassified to another class of financial assets.

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Financial assets at fair value through profit or loss include those financial assets that are not classified in the above classes of financial assets. At initial recognition, financial assets may be irrevocably designated as financial assets at fair value through profit or loss if such designation eliminates or reduces measurement and recognition inconsistencies (accounting mismatches) between financial instruments. These financial assets may not be subsequently reclassified to another class of financial assets.

A financial asset is recognised only when the Company receives, or becomes entitled to receive, cash or another financial asset under an executory contract. Planned transactions, guarantees and warranties received are not recognised as assets of the Company until they meet the definition of financial assets. Financial assets are measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition or issue of a financial asset (other than a financial asset for which changes in fair value are recognised in profit or loss) are added to or deducted from the fair value of the financial asset, as appropriate, on initial recognition.

Investments in equity securities are carried at fair value at acquisition, which is usually the transaction value. Transaction costs directly attributable to financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets must be remeasured each time financial statements are prepared. Equity securities are marked to market on a quarterly basis.

Gains or losses arising from changes in the fair value of financial assets are included in the statement of profit or loss and other comprehensive income for the period on a net basis.

The Company recognises impairment for expected credit losses ("ECL") on the following financial assets not at fair value through profit or loss: loans and receivables.

For financial assets, expected credit losses are measured at an impairment amount equal to:

- 12-month probable credit losses; these are probable credit losses that result from defaults on financial liabilities that are probable within 12 months of the date of the financial statements; or
- All expected credit losses; that is, all expected credit losses that result from all possible defaults over the life of the financial asset.

An impairment of all expected credit losses on a financial asset is calculated if the credit risk of that financial asset has increased significantly since the initial recognition. For all other financial assets, expected credit losses are based on 12 months of expected credit losses.

Expected credit losses are probability-weighted estimates of the present value of credit losses. They are measured as the difference in present value between the cash flows arising from contractual cash flows received by the Company and the cash flows that the Company expects to receive from a range of future economic events, discounted at the financial asset's effective interest rate.

The Company derecognises a financial asset only when the contractual right to the cash flows of that asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to hold the transferred asset, the Company recognises the amount of the asset and the associated liabilities that it may be required to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises loans secured against the proceeds.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received and receivable and the cumulative gain or loss recognised in other comprehensive income and accumulated equity is recognised in profit or loss.

3.5. Accounting for financial liabilities

Financial liabilities are contractual rights to transfer cash or other financial assets and contractual rights to exchange financial instruments.

Financial liabilities are divided into:

- financial liabilities measured at amortised cost;
- measured at fair value through profit or loss.

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Financial liabilities are classified as financial liabilities measured at amortised cost, except:

- measured at fair value through profit or loss, and derivatives;
- financial liabilities that arise if the transfer of a financial asset does not meet the criteria for derecognition or if the continuation-of-control approach is applied;
- financial guarantee contracts;
- commitments to lend at below-market interest rates;
- contingent consideration recognised in a business combination.

Financial liabilities at fair value through profit or loss include those financial liabilities that are not classified in the above class of financial liabilities.

Financial liabilities are recognised only when the Company becomes obliged to pay cash or settle another financial asset, i.e., when it becomes a party to the contractual provisions of a financial instrument or other asset. When a financial liability is first recognised, the Company measures it at fair value.

Financial liabilities are measured at each reporting date:

- related to market prices - fair value;
- other financial liabilities - amortised cost.

Any gain or loss arising from a change in the fair value of a financial liability shall be included in profit or loss and other comprehensive income for the period.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire. The difference between the carrying amount of the derecognised financial asset and the consideration received and receivable is recognised in profit or loss.

In previous periods, the Company had only current tax, employment and other payables for the period.

3.6. Foreign currency

For the purpose of preparing the Company's financial statements, foreign currency transactions are translated to euro at the official exchange rate set by the Bank of Lithuania on that date, which is approximately equal to the market rate. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rate on that date. Gains and losses arising from changes in exchange rates on the translation of monetary assets or liabilities into euro are included in profit or loss.

3.7. Intangible fixed assets

Intangible assets are non-monetary assets that do not have a physical form. Such assets include software and acquired rights. At initial measurement, intangible assets are measured at cost, which comprises the purchase price less any discounts or rebates received, import taxes and non-refundable input taxes, and other direct costs associated with preparing the intangible asset for its use. After initial measurement, tangible and intangible fixed assets are measured at cost less accumulated depreciation (amortisation) and impairment.

The following amortisation rates are applied to intangible fixed assets:

<u>Group of intangible fixed assets</u>	<u>Normative in years</u>
Software	5

As at 31 December 2022, the Company's intangible assets amounted to EUR 133 876.

3.8. Revenue recognition

The Company recognises revenue in the amount of the consideration to which the Company expects to be entitled in exchange for the goods or services transferred.

The Company accounts for a contract with a customer only when all these criteria are met:

- the parties to the contract have approved the contract (whether in writing, orally or in accordance with other usual business practices) and are committed to their respective obligations;
- the Company can identify the rights of each party in respect of the goods or services to be transferred;
- the Company can identify the payment terms provided for the goods or services to be transferred;
- the contract has a commercial substance (i.e., it is probable that the contract will result in a change in the frequency or amount of, or risks associated with, the entity's future cash flows) and it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

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Revenue received but not earned during the current financial period is recognised as a liability and recognised as income in the financial period in which it is earned. Revenue is measured at the fair value of payments received or receivable. They are recognised on an accrual basis when the related service is rendered. Revenue is measured at fair value less discounts, refunds and other sales charges and liabilities.

If there is doubt as to whether an amount already included in revenue will be collected, the debt that is no longer expected to be collected is written off in the period in which the revenue is recognised, irrespective of the period in which the revenue was recognised (prior or current).

Dividend income - Dividends are recognised in profit or loss and other comprehensive income when the Company's right to receive them is established.

3.9. Cost recognition

Expenses are recognised on an accruals and comparative basis in the period in which the related income is earned, irrespective of when the cash is spent.

Only that part of the expenses of the preceding and current periods that is attributable to income earned during the period is recognised as an expense. Expenditure that is not related to income earned during the period but is intended to generate income in future periods is recorded and presented as an asset in the financial statements. The portion of an asset that is intended to generate deferred income will be recognised as an expense when the related income has been earned, the economic benefits associated with the asset or its use have been realised, or when those benefits have expired.

When expenses incurred during the period cannot be directly attributed to the generation of specific revenue and will not generate revenue in future periods, they are recognised as an expense in the period in which they are incurred.

The expense is measured at the fair value of the consideration paid or payable. Where settlements are made in cash or cash equivalents, the fair value of the expense is the amount of cash or cash equivalents paid or payable (excluding recoverable VAT). If goods are purchased on credit and a long settlement period without interest is expected, the fair value of the expense is calculated by discounting the settlement amount at the market rate of interest. The difference is recognised as an expense in financing activities.

Service and commission costs are the commission costs of services provided by other intermediaries, the cost of maintaining customer service staff, custody fees and other costs incurred by the Company in providing investment and ancillary services. These costs are recognised in the same period in which they are incurred. Income and expense accounts shall not be offset, except for unrealised income and expenses and income and expenses related to effective risk mitigation accounting.

Annual premiums for investor liability insurance and operational maintenance are recorded and presented in the financial statements as assets - deferred charges. The portion of an asset that is intended to generate deferred income is recognised as an expense in the statement of profit or loss and other comprehensive income on a pro rata basis over the period during which the related income is earned or the economic benefits associated with the asset or its use are realised, or when those benefits cease.

General administrative expenses consist of administrative personnel expenses, office space costs, office costs (stationery, communication, postal services) and other costs related to the administration of the Company.

3.10. Corporate Income tax

Income tax is calculated and paid in accordance with the Law on Income tax of the Republic of Lithuania at a rate of 15%.

Deferred income tax is recognised using the liability method because of temporary differences between the tax and accounting bases of assets and liabilities. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period when the asset is realised or the liability settled, taking into account tax rates that have been enacted or substantively enacted by the statement of financial position date.

A deferred tax asset is recognised in the statement of financial position when management expects to realise sufficient estimated taxable profit in the foreseeable future to allow for the realisation of the asset. If it is probable that part of the deferred tax asset will not be realised, that part of the deferred tax asset is not recognised in the financial statements.

3.11. Provisions

Provisions are recognised when, as a result of past events, the Company has a present obligation or irrevocable commitment and it is probable that funds will be available to settle the obligation and a reliable estimate of the amount can be made.

The Company has not made any provisions in the previous reporting periods.

3.12. Related parties

Related parties of the Company include shareholders, employees, members of the Board, their close relatives, and entities that directly or indirectly control the Company through an intermediary, or that are controlled, either individually

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or jointly, by another party that is also recognised as a related party, on condition that the relationship enables one of the parties to exercise control over the other party or to exercise significant influence over the other party in financial and management decision-making.

3.13. Post-reporting events

Sub-accounting events that provide additional information about the Company's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Sub-accounting events that are not adjusting events are described in the notes when they are material.

3.14. Use of estimates in preparing financial statements

In applying accounting policies, management makes estimates, judgements and assumptions about the carrying amounts of assets and liabilities that are not readily determinable from other sources. Estimates and related assumptions are based on historical experience and other directly relevant factors. Actual results may differ from the estimates presented.

The Company assesses whether there is any indication that a financial asset is materially impaired at the reporting date. The amount of the impairment loss on financial assets carried at amortised cost is the difference between the carrying amount of the financial asset and its market value.

The estimates and underlying assumptions are kept under constant review. The results of a review of accounting estimates are recognised in the period in which the review is made and the results affect it, or in the period of the review and in future periods if the review affects both the current and future periods.

4. Financial risk management

The Company shall analyse, evaluate, accept and manage the risks or groups of risks to which it is exposed in the course of its business. The primary objective of the Company's operational risk management is to ensure the timely identification of risks that may threaten the Company's business continuity and capital adequacy and the application of measures to manage those risks.

The relevant policies and procedures for risk management include the Risk Management Strategy, which includes the internal capital adequacy assessment process, the Business Continuity Policy, the Accounting Policy, the Internal Control Policy and Rules, the Safekeeping of Financial Instruments and Cash Procedure, the Anti-Money Laundering Procedure, the Investment Services Provision Rules, which include the procedures for the acceptance and transmission of client orders and the handling of client complaints, the Rules on the Handling of Personal Data, the Policy on the Management and Avoidance of Conflicts of Interest, and other documentation.

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The following main financial risk management procedures are applied in the Company's operations:

- Capital adequacy supervision - the Company is required to meet the capital adequacy ratio calculated in accordance with the Capital Requirements Directive 2013/36 and Directive 2019/2034 amending Directive 2013/36, as well as Regulation 575/2013 (CRDIV/CRR) and Regulation 2019/2033 amending Regulation 575/2013, the Basel III standards, and the legislation of the Republic of Lithuania. The assessment is carried out at the end of each quarter and reported to the Supervisory Authority;
- Internal capital adequacy assessment, stress testing - identifying risks, assessing materiality, determining capital requirements, reporting, developing business continuity plans, etc;
- Identifying, assessing, monitoring, advising and reporting on compliance risks;
- Enforcement of internal controls.

In accordance with the Company's risk management policy, the capital requirement to cover the risks incurred is calculated internally for the Company's internal purposes (the Company's internal capital). The Company's internal capital adequacy is calculated to ensure that the Company always has sufficient equity capital to meet its obligations.

The guiding principles of the Risk Management Policy has been established, periodically reviewed, supplemented or repealed by the Board of the Company on the recommendation of the Chief Executive Officer of the Company. These principles are communicated to the employees involved in the internal capital adequacy assessment process.

The main risks that could affect the going concern are:

- a) *Credit and counterparty risks* are the risks to the firm that the counterparty will fail to meet its obligations to the firm. The enterprise manages the risk by assessing the creditworthiness and solvency of the counterparty before entering into transactions.

The credit risk to the Company is negligible. The Company periodically monitors its receivables and assesses their risk level. There is no concentration of credit risk in the Company. Transactions for the purchase or sale of financial instruments listed on stock exchanges are executed through Saxo Bank. Counterparty risk is low as the Company does not engage in significant exchange trading either for clients or on its own behalf.

The Company's management considers that the maximum credit risk is:

Assets	31.12.2022	31.12.2021
Cash in bank accounts	105 389	200 000
Loans and receivables	3 144	-
Loans to parent company	114 170	-
Financial assets held for sale	-	-
Total	222 703	200 000

- b) *Foreign exchange risk* is the risk that the Company will incur losses on its foreign currency assets and liabilities as a result of changes in the exchange rate or fluctuations in the exchange rate of a particular foreign currency and the Company monitors the changes in the value of its assets or liabilities that are denominated in foreign currencies.

Receivables are fixed in euro, therefore fluctuations in foreign exchange rates did not pose a risk to the Company. The Company did not use any financial instruments to hedge this risk as it was insignificant.

- c) *Capital adequacy*. The assessment of this indicator includes all the risks listed above.

The main objective of the Company's capital management is to ensure that the Company meets its external capital requirements and maintains appropriate capital ratios to strengthen its operations and maximise shareholders' value.

The table below shows the calculation of the Company's capital adequacy ratio as at 31 December 2022.

Capital adequacy supervision is carried out in accordance with the Capital Requirements Directive 2013/36 and Directive 2019/2034, which amends Directive 2013/36, and Regulation 575/2013 (CRDIV/CRR) and Regulation 2019/2033, which amends Regulation 575/2013, the Basel III standards, and the legislation of the Republic of Lithuania.

The initial capital may not be less than EUR 150 000. The amount of own funds may not be less than EUR 150 000.

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The Company must manage own funds in such a way that these conditions are met at all times:

Period	2022 1Q	2022 2Q	2022 3Q	2022 4Q
Authorised capital (paid-up)	200 000	230 000	355 000	443 000
Revenue	-	-	22 062	47 626
Expenses	(8 369)	(77 720)	(198 999)	(174 869)
Profit (loss)	(8 369)	(77 720)	(176 938)	(127 242)
EQUITY	191 631	152 280	178 062	315 758
Intangible fixed assets (excluded from Cap Adeq calculations)	-	-	-	133 876
Equity (excluding intangible fixed assets)	191 631	152 280	178 062	181 882
Equity requirement	150 000	150 000	150 000	150 000
Capital Adequacy Ratio	1.28	1.02	1.19	1.21

* Recalculated according to the minimum capital requirement applicable from 1 January 2022.

The capital adequacy ratio is monitored by the Company's management to ensure that it meets the statutory requirements.

The calculation of the Company's capital adequacy ratio as at 31 December 2022 is presented below.

The Company shall meet the following own funds requirements:

CET1/D \geq 56%

TIER1/D \geq 75%

TIER2/D \geq 100%

where D is considered to be the amount of the own funds requirement of EUR 150 000.

	2022	2021
CET1 Capital Adequacy Ratio (CET1 Ratio)	106.7%	n/a
TIER1 Capital Adequacy Ratio (TIER1 Ratio)	106.7%	n/a
Own Funds Ratio/ TIER2 Ratio	106.7%	n/a
OWN FUNDS	159 614	200 000
Fully paid-up capital instruments	443 000	200 000
(-) Losses for the current financial year	(127 242)	-
(-) Other intangible assets	(133 876)	-
(-) Deferred tax assets	(22 268)	-

The Company is required to hold at least 1/3 of the previous year's fixed overheads as liquid assets. In 2021, the Company did not carry out any licensed activities and therefore the level of fixed overheads for the previous year is not assessed.

The Law on Companies of the Republic of Lithuania requires that the Company's equity capital is to be at least 50% of its share capital, consisting of share capital and share premium. In 2022, the Company met all the above requirements.

d) Liquidity risk. Liquidity risk is the risk that arises because the Company may not be able to meet its payment obligations when due or to finance or realise its assets within a reasonable period of time. The Company has a conservative liquidity risk management policy to ensure that its current financial obligations are adequately met.

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Temporal grouping of financial assets and liabilities.

31 December 2022

	Total	Within three months	After three months, but no later than one year	After one year, but no later than five years	After five years
Assets					
Cash	105 389	105 389	-	-	-
Loans and receivables	3 144	3 144	-	-	-
Loans to parent company	114 170	-	-	114 170	-
Other assets	2 400	2 400	-	-	-
Total:	225 103	110 933	-	114 170	-
Liabilities*					
Other payables and liabilities	65 489	65 489	-	-	-
Total:	65 489	65 489	-	-	-
Net position	159 614	45 444	-	114 170	-

* The amounts of undiscounted financial liabilities correspond to their carrying amounts.

31 December 2021.

	Total	Within three months	After three months, but no later than one year	After one year, but no later than five years	After five years
Assets					
Cash	200 000	200 000	-	-	-
Total:	200 000	200 000	-	-	-
Liabilities*					
Other payables and liabilities	-	-	-	-	-
Total:	-	-	-	-	-
Net position	200 000	200 000	-	-	-

* The amounts of undiscounted financial liabilities correspond to their carrying amounts.

5. Cash and cash equivalents

As at 31 December, cash and cash equivalents consisted of:

	2022	2021
Cash at bank	105 389	200 000
Customer funds at bank	-	-
Cash in hand	-	-
Total	105 389	200 000

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6. Loans to the parent company, Loans and receivables

As at 31 December, loans and receivables consisted of:

	2022	2021
Trade receivables	-	-
Loans to parent company	114 170	-
Loans and receivables	3 145	-
Total	117 314	-

On 15 December 2022, the Company granted Fundvest OÜ a credit limit of EUR 200 000. The credit facility matures no later than 14 January 2024. The interest rate is 8%. Interest is payable monthly on the part of the credit actually used, on the last day of the month.

As at 31 December 2022 and 2021 The Company had no overdue amounts. No impairment allowance for receivables has been formed in the Company due to its insignificant impact on the financial statements.

7. Other assets

As at 31 December, other assets consisted of:

	2022	2021
Deposits	2 400	-
Total	2 400	-

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8. Intangible fixed assets

As at 31 December, intangible assets consisted of:

	Software	Total
Acquisition value		
31 December 2020	-	-
- Acquisitions	-	-
- disposals and write-offs	-	-
- reclassifications	-	-
- impairments	-	-
31 December 2021	-	-
- Acquisitions	133 876	133 876
- disposals and write-offs	-	-
- reclassifications	-	-
- impairment	-	-
31 December 2022	133 876	133 876
Accumulated amortisation		
31 December 2020	-	-
- amortisation	-	-
- disposals and write-offs	-	-
- reclassifications	-	-
31 December 2021	-	-
- amortisation	-	-
- disposals and write-offs	-	-
- reclassifications	-	-
31 December 2022	-	-
Decrease in value		
31 December 2020	-	-
- impairment	-	-
- impairment reversals	-	-
- disposals and write-offs	-	-
- reclassifications	-	-
31 December 2021	-	-
- impairment	-	-
- impairment reversals	-	-
- disposals and write-offs	-	-
- reclassifications	-	-
31 December 2022	-	-
Residual value:		
31 December 2021	-	-
31 December 2022	133 876	133 876

9. Other payables and liabilities

As at 31 December, other payables and liabilities included:

	2022	2021
Employment-related liabilities	28 325	-
Debts to suppliers	5 665	-
Customer money	12 321	-
Accrued expenses	19 100	-
Other payables	78	-
Total	65 489	-

10. Equity capital structure

In 2022, the Company's authorised capital is EUR 443 000. The share capital is divided into 443 000 ordinary registered shares with a nominal value of EUR 1 each. The Company's share capital is fully paid up.

In 2021, the authorised capital of the Company is EUR 200 000. The share capital is divided into 200 000 ordinary registered shares with a nominal value of EUR 1 each. The Company's share capital is fully paid up.

The statutory reserve is made up of deductions from net profit and shall not be less than 1/10 of the share capital. It is

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used to cover losses. As at 31 December 2022, the statutory reserve amounted to EUR 0 (31 December 2021: EUR 0).

Other reserves are made up of distributed profits and are used to meet specific objectives of the Company. As at 31 December 2022, the balance of other reserves amounted to EUR 0 (31 December 2021: EUR 0).

11. Operating income

As at 31 December, operating income consisted of:

	2022	2021
Service and commission income	640	-
Revenue from IT services provided	43 841	-
Total:	44 481	-

12. Operating costs

As at 31 December, operating expenses were as follows:

	2022	2021
Cost of services and commissions	1 890	-
Personnel expenses		
Salaries and other personnel expenses	121 036	-
Vacation accruals	4 432	-
Total:	125 468	-
Other administrative expenditure		
Legal expenses	44 735	-
Audit expenses	14 375	-
Bank services	346	-
Other general administrative expenses	10 323	-
Total:	69 779	-
Total operating costs	197 137	-

13. Interest income

As at 31 December, interest income consisted of:

	2022	2021
Income from financial investment activities:		
Interest income on loans granted	3 145	-
Other interest income	1	-
Total income from financial investment activities, net	3 146	-

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14. Related party transactions

The table below shows transactions with related parties during the period ended on 31 December 2022:

Related party	Receivables	Payables	Sales of goods and services	Purchases of goods and services
Parent company	117 314	-	46 986	-
Total	117 314	-	46 986	-

The following table sets out the transactions with related parties during the period ended on 31 December 2021:

Related party	Receivables	Payables	Sales of goods and services	Purchases of goods and services
Parent company	-	-	-	-
Total	-	-	-	-

Other related undertakings are undertakings controlled by the parent and belonging to the same group of undertakings.

The financial relationships with the Company's directors are set out below:

	2022	2021	Balance as at 31 December 2022
Amounts charged to company directors and other related parties:			
- Amounts relating to employment	12 329	-	1 197
- Average number of executives per year	1	1	1

As at 31 December 2022, the number of members of the management was 1.

Management - Rasmus Klaassen, Director of the Company. The members of the Management Board have no employment relationship with the Company.

15. Income tax

As at 31 December, the components of income tax expense (income) are:

	2022	2021
Income tax expense for the period	-	-
Income tax adjustments for prior periods	-	-
Deferred tax expense (income)	(22 268)	-
Income tax expense (income) recognised in the income statement	(22 268)	-

As at 31 December, income tax expense (income) was as follows:

	2022	2021
Profit before tax	(149 510)	-
Income tax expense at the expected tax rate	-	-
Tax effect of expenses not reducing taxable profit	5 490	-
Tax effect of income not increasing taxable profit	-	-
Change in deferred tax assets after impairment	(22 268)	-
Income tax expense (income) recognised in the income statement	(22 268)	-

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As at 31 December, deferred tax assets/(liabilities) consisted of:

	2022	2021
Deferred tax assets		
Vacation reserve	665	-
Unused tax losses	21 603	-
Total deferred tax assets	22 268	-

16. Contingent liabilities and off-balance sheet commitments

The tax authorities have not carried out a full tax audit of the Company. The Tax Inspectorate may at any time inspect the accounting, transactional and other documents, records and tax returns for the current and the 3 preceding calendar years, and in certain cases for the current and the 5 or 10 preceding calendar years, and may assess additional taxes and penalties. The management of the Company is not aware of any circumstances that could give rise to a potential material liability in this respect.

As at 31 December 2022 The Company has no off-balance sheet commitments and is not involved in any legal proceedings that, in the opinion of management, would have a material effect on the financial statements.

17. Post-reporting events

The Company has taken into account the changed geopolitical situation in Lithuania due to the conflict between Ukraine and Russia, but no negative impact on the Company's operations and business continuity has been identified. The investment services and products of the FMI are not related to financial instruments of issuers in the Russian Federation, the Republic of Belarus, the Republic of Ukraine or collective investment undertakings established in these countries.



Rasmus Klaassen
CEO



Simonas Tamulionis
(Representative of the accounting company)