Fundvest UAB

Independent auditor’s report,
annual report and financial statements
for the year ended 31 December 2023’

This document is a translation of the original, which was prepared in Lithuanian language. All possible care has been taken to ensure the accuracy of the translation. In case of any discrepancies, please refer to Lithuanian version.

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UAB TaxLink
auditas,

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Corporate code:
305244399, VAT payer code:
LT100012633215.

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Fundvest UAB

Report on the audit of the financial statements

Qualified opinion

We have performed an audit of the financial statements of Fundvest, UAB (hereinafter, the Company) which comprise the balance sheet as at 31 December 2023, the income statement, statement on other comprehensive income, cash flow statement, and the statement of changes in equity for the year then ended, the notes to the financial statements, and a summary of significant accounting policies.

In our opinion except for the effects of the matter described in the Basis for Qualified Opinion Paragraph upon the relevant data, the attached financial statements in all material respects present fairly the financial position of the Company as of 31 December 2023, the financial performance for the year then ended and the cash flows according to the International Financial Reporting Standards adopted in the European Union.

Basis for the qualified opinion

The Company's statement of financial position includes EUR 223,000 of receivables from the parent company (notes 6, 14) under the loans and receivables item, the recoverability of which, in our opinion, is doubtful. We have not been able to obtain satisfactory data that would allow us to be reasonably confident that the outstanding amount will be recovered. If it turns out that the Company will not recover part or all of this amount, the Company's loans and receivables and the result for the year 2023 as shown in the statement of financial position as at 31 December 2023 should be reduced by EUR 223,000.

We have carried out the audit according to the International Standards on Auditing (hereinafter, the ISA). Our responsibility according to the ISA is comprehensively described in the 'Auditor's responsibility for the audit of the financial statements' paragraph. We are independent from the Company according to the Code of Ethics for Professional Accountants issued by the International Federation of Accountants (hereinafter, the IESBA Code, and the requirements of the Law on Audit of the Republic of Lithuania related to audit in the Republic of Lithuania. We are also compliant with other requirements of ethics related to the Law on Audit of Financial Statements the Republic of Lithuania, and the IESBA Code.

We believe that the audit evidence is sufficient and appropriate to substantiate our qualified opinion.

Key audit matters

Key audit matters—Those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. These matters have been considered in the context of our audit of the financial statements taken as a whole and our opinion on those financial statements and, accordingly, we do not express a separate opinion on those matters. Each audit matter and our response to it is described below.

Key audit matter	Our response to the audit matter
Legal compliance In the conduct of its business the Company must comply with the requirements of the law. 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 have conducted 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 consists of the information presented in the Company's Annual Report but excludes the financial statements and our auditor's report thereon.
Management is responsible for the presentation of other information.

Our opinion on the financial statements does not include the other information and we do not express any form of assurance on it except as set out below.

In performing our audit of the financial statements, our responsibility is to read the other information and consider whether there is any material inconsistencies in the information presented in the financial statements or in our knowledge based on our audit and whether they are otherwise materially misstated. Should a material misstatement of other information come to our attention because of our performed work, we must disclose this fact. We do not have any observations in that respect.

We are also required to assess whether the financial information presented in the Company's annual report is consistent with the financial statements for the same financial year, and whether the Company's annual report has been prepared in accordance 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 financial data presented in the company's annual report is consistent with the financial statements for the same financial year; and
- the company's annual report has been prepared in accordance with the requirements of the Law on Financial Reporting of Entities of the Republic of Lithuania.

Responsibility of the management and those charged with governance for the financial statements

The management of the Company is responsible for the preparation and the correct presentation of these financial statements according to the International Financial Reporting Standards adopted to apply in the European Union, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In relation to the drawing up the financial statements the management shall assess the Company's ability to continue as a going concern, and disclose the matters (if necessary) related to the going concern, the use of the going concern basis for accounting, except the cases when the management intends to liquidate the Company, and terminate the activities, or does not have other realistic alternatives, except to pursue the course.

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

The responsibility of the auditor 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, which may be caused by fraud or error, are considered material if it can reasonably be predicted that they, whether individually or jointly, may materially influence economic decisions of users made on the basis of separate and consolidated financial statements.

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

- identified and assessed the risk of material misstatement of the consolidated financial statements whether due to fraud or error, we have planned and performed the procedures as a response to the risk, and we have collected sufficient evidence to substantiate our opinion. The risk of non-detection of material misstatement due to fraud is higher than the risk of non-detection of material misstatement due to error, as fraud can include swindle, forgery, intentional omission, misleading explanation or non-compliance with internal control.

- understood the internal controls related to audit in order to be able to plan the audit procedures appropriate for the specific circumstances, rather than for the purpose of expressing the opinion on the efficiency of the Company's internal control.

- evaluated the appropriateness of the accounting methods and the reasonableness of the accounting estimates made by the management, and of the related disclosures.

  concluded regarding the appropriateness of management's use of the going concern assumption in the preparation of the financial statements, and concluded, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. In case we conclude that such material uncertainty does exist, in the auditor's report we have to note the related disclosures in the financial statements, and in case such disclosures are not sufficient, we have to modify our opinion. Our conclusions are based on the audit evidence that we have collected before the auditor's opinion date. However, future events or conditions may cause the situation that the Company will not be able to continue its operations.

- considered the presentation, structure and the Content of the financial statements, including the disclosures, also whether the supporting transactions and the events are disclosed in the manner to comply with the fair presentation concept.

Inter alia, we are obliged to inform those charged with governance about the scope and the time of conducting the audit, as well as the material audit observations, including material deficiencies in internal controls that we identified during the audit.

We have also provided confirmation to those charged with governance that we have complied with the relevant ethical requirements on independence and informed them of all relationships and other matters that could reasonably be perceived as affecting our independence and, where appropriate, of related safeguards.

Among the matters communicated to those charged with governance, we highlight those matters that were the most significant in our audit of the financial statements for the current period and are the key audit matters. We describe such matters in the auditor's report if we are not prohibited by law or regulation from publicly disclosing the matter or if, in very rare circumstances, we determine that the matter should not be disclosed in our report because the adverse consequences of disclosure could reasonably be expected to outweigh the benefits to the public.

Conclusion on other legal and regulatory requirements

We were appointed for the first time by a resolution of the Company's General Meeting of Shareholders on 14 September 2022 to audit the Company's financial statements for the years 2022 and 2023. The total continuous engagement period is two years.

We confirm that our opinion expressed in the "Qualified opinion" section is consistent with the audit report on the financial statements that we have issued to the Company together with this auditor's report.

We confirm that, to the best of our knowledge and belief, the services provided to the Company comply with the requirements of applicable laws and regulations and do not include non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 of the European Parliament and the Council.

During the audit period we did not provide any services other than the audit of the financial statements.

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

TaxLink auditas, UAB
Audit company certificate No. 001494

Mindaugas Dailyda Certified
auditor
Auditor's certificate No. 000593

Vilnius, Republic of
Lithuania, 14 June 2024

Only the Independent Auditor's report shall be signed by electronic signature

1. A description of the Company's position, its performance and development, principal risks and uncertainties that the Company's faces; analysis of financial performance, information on personnel issues; information on financial risk management objectives.

Fundvest, UAB (hereinafter, the Company), legal entity code 305667997, address: Gedimino Av. 20, LT-01103, Vilnius, Lithuania.

The Company's authorised capital is equal to EUR 705,000. Information about the Company's equity is presented in the statement of changes in equity, which is an integral part of these financial statements.

In the year 2023, the Company earned revenues of EUR 26,340, including EUR 1,407 in commissions, EUR 26,189 in service revenues, EUR 6,962 in foreign exchange losses, net, and EUR 93.00 in other income. The Company does not have any financial assets.

In 2023, operating costs amounted to EUR 282,960, of which EUR 12,481 for services and commissions, EUR 136,745 for staff costs and EUR 102,264 for administrative costs, and depreciation of fixed assets of EUR 31,470.

In 2023, the Company suffered a loss of EUR 208,727.

At the opening of the reporting period the Company had five employees. The average number of employees in 2023 was three, and four employees at the end of the calendar year.

The Company's principal areas of activity are the following:

1. Execution of orders to buy and sell financial instruments (in cooperation with SAXO BANK and DRIVEWEALTH LLC);
2. Custody, administration and management of financial instruments on behalf of clients, including custody of assets and other related services, e.g. custody of cash, with the exception of the management of top-tier securities accounts in accordance with Chapter VI of the Law on Securities of the Republic of Lithuania (securities are held by SAXO BANK and DRIVEWEALTH LLC, and cash is held at SWEDBANK Lietuva);
3. Currency exchange services related to the provision of investment services (provided by SAXO BANK and SWEDBANK Lietuva).

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 main objective of the Company's operational risk management is to ensure a timely identification of risks that may threaten the continuity of the Company's operations and the Company's capital adequacy and the application of measures to manage those risks. The Company has appropriate risk management policies and procedures in place.

The Company's main financial risk management procedures are as follows:

- Capital Adequacy Supervision; the Company must meet the capital adequacy ratio calculated in accordance with the Capital Requirements Directive 2013/36/EU and Regulation 575/2013 (CRD IV/CRR). The indicator is calculated at the end of each quarter and reported to the supervisor.
- Internal capital adequacy assessment and 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 the internal control measures.

In accordance with the Company's risk management policy, capital requirements to cover risks are calculated internally for the Company's own internal purposes (the Company's internal capital). A company's internal capital adequacy is calculated to ensure that it always has sufficient equity to meet its liabilities.

The main risks that could affect the company's operations are:

Counterparty risk is the probability that a counterparty will be unable to meet its contractual obligations in the future, resulting in a loss to the company. This risk arises when the contract date differs 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 executed only on regulated markets, without any deferral of payment, etc.

Operational risk is the risk of financial loss, which may arise from inadequate or unimplemented internal control processes in a brokerage firm's operations, employee errors and/or illegal actions, information systems failures and the impact of external factors. The Company's management of this risk is governed by the procedures and policies it has adopted: Order Execution Policy, Order Execution Procedure, Conflicts of Interest Policy, Rules for the Provision of Investment Services, Rules for the Classification of Clients as Professional or Non-Professional, etc.

Liquidity risk is the risk that a company will not have sufficient financial resources to meet its obligations in a timely manner and will not be able to obtain them in a short period of time by borrowing or selling assets. The Company's policy is to maintain a sufficient flow of cash and cash equivalents, in order to be able to properly discharge its financial obligations.

Market risk is the risk of loss due to unfavourable changes in the market: exchange rates, share prices or interest rates.

Foreign exchange risk is the risk of losses due to fluctuations in foreign exchange rates. The Company does not enter into transactions that would result in open currency positions in order to gain from changes in foreign exchange rates.

Interest rate risk is the risk of loss due to the remeasurement of mismatches between a 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 from a decline in the fair value of the Company's securities. The Company's policy is not to purchase securities from unknown markets/issuers. The Company applies limits on the purchase and sale of securities determined in accordance with the Capital Adequacy Calculation Procedure.

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

The capital at the disposal of the Company shall at all times comply with the following conditions:

- the Company must maintain a Common Equity Tier 1 (CET1) ratio of at least 56%;
- the Company must maintain a Common Equity Tier 1 (T1) ratio of at least 75%;
- The Company’s common capital may not be lower than the minimum initial capital.

The Company does comply with the capital adequacy ratios and has sufficient liquid capital to cover its 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 their share in the Company's share capital, and the justification for such acquisitions or disposals.

In 2023 or 2022 the Company did not acquire or transfer any own shares.

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

The Company does not have any branches or representative offices. The customer service location is the same as the address of the registered office.

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

The Company has developed and operates a modern, cloud-based banking system that seamlessly connects to a mobile app, also developed in a modern, hybrid way, which can be used with different operating systems. This project has so far pooled a wealth of systems architecture and engineering expertise into a single solution that can be easily expanded with new features over the years. This solution allows Fundvest to grow faster than many of its competitors and outperform traditional banks in product innovation. Future research and development activities will include integration with several additional brokerage firms, banks and payment service providers, all of which should not increase the complexity of the system. The theoretical basis for the system architecture is based on the book 'The Invisible Complexity' written by Martins Untals, co-founder and Chief Technology Officer of the company. In the coming years the Company will focus its development efforts on integrating the Fundvest platform into the offerings of other companies in order to help them expand their product portfolios. The Company needs to develop the architecture and technology of its existing system, the efforts in that direction have already started last year and will continue.

5. Plans and projections of the Company.

Management does not foresee any significant changes in the Company's operations in line with the approved 2024 Business Plan. The main objectives of the management for 2024 are to expand the company's services to unrelated customers, to control costs and to achieve the expected performance targets.

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

At the end of 2023, the Company’s Board consisted of:
Chairman of the Board – EGON ORAV;

Member of the Board – OTTOMAR PAEVÄLI; Member of the Board – MARTINS UNTALS;

Member of the Board – SANDER SIIM VAHER.

The CEO of the Company – Rasmus Klaassen.

(all amounts expressed in euros unless

Involvement of the Board Members and the CEO in the activities and the management of other

companies: Chairman of the Board Egon Orav

Company	**Company code**	**Position**	**Equity share, per cent**
Fundvest OÜ	14918954	Owner/Board Member	12.50
FinPeaks OÜ	14886355	Owner/Board Member	50.00.
PLANTEARTH OÜ	14981421.	Owner/Board Member	20.00.
FinCorpore OÜ	16306847	Owner/Board Member	100.00.
FinCorpore OÜ	16319643	Owner/Board Member	100.00.
FinCorpore OÜ	16337150	Owner/Board Member	100.00
FP Ventures OÜ	16172648	Owner/Board Member	50.00
Stebby OÜ	12231911	Members of the Board	No direct ownership

Board Member Ottomar Paeväli.

Company	**Company code**	**Position**	**Equity share, per cent**
Fundvest OÜ	14918954	Owner/Board Member	4.09
OÜ Mod2	16488185	Owner/Board Member	100

Board Member Sander Siim Vaher

Company	**Company code**	**Position**	**Equity share, per cent**
Fundvest OÜ	14918954	Owner/Board Member	23.76
Finceptiv OU	14563072.	Shareholder	20.73.
SSV Holdings OU	14039371	Board Member	100.
Fino Venture OU	16063267	Board Member	50.
Official Relations OU	14676416	Board Member	50
Stardipaik Crowdfunding MTU	80586864	Board Member	N/A
New Frontier Services OU	14885387	Board Member	100
Instalord OU	14016281	Shareholder	10.
GF Global Finance Hungary	29161238-2-42	Executive director	100.

Board Member Martins Untals

Company	**Company code**	**Position**	**Equity share, per cent**
Fundvest OÜ	14918954.	Owner/Board Member	20.02.
SIA M37	40103419245.	Owner/Board Member	100.
M38 OÜ	14399129	Owner/Board Member	100

Director Rasmus Klaassen

Company	**Company code**	**Position**	**Equity share, per cent**
Fundvest OÜ	14918954	Board Member	25.68
Endel Capital OÜ	14094252	Owner/Board Member	100.
Saarekaru OÜ	16180688	Owner/Board Member	100

Vilnius, Republic of Lithuania,
14 June 2024

Ottomar Paeväli, CEO

STATEMENT OF FINANCIAL POSITION 31 december 2023
(all amounts expressed in euros unless

	Note No.	31-12-2023	31-12-2022
ASSETS			
Current assets			
Cash and cash equivalents	**5.**	46,413	105,389
Loans and amounts receivable	**4, 6**	223,644	3,144
Other assets	**7**	22,608	2,163
Current assets, total		**292,665**	**110,933**
Non-current assets			
Intangible assets	**8.**	130,575	133,876
Loans to the parent company	**4, 6**		114,170
Deferred income tax assets	**15**	57,976	22,268
Non-current assets, total		**188,551**	**270,314**
TOTAL ASSETS		**481,216**	**381,247**
LIABILITIES AND OWNER'S EQUITY			
ACCOUNTS PAYABLE AND LIABILITIES			
Amounts payable within one year and liabilities			
Corporate income tax due		-	-
Liabilities related to employment relations	**9.**	22,168	28,325
Other amounts payable and liabilities	**9.**	89,562	37,164
Amounts payable within one year and liabilities, total		**111,730**	**65,489**
ACCOUNTS PAYABLE AND LIABILITIES, TOTAL		**111,730**	**65,489**
EQUITY			
Authorised capital	**10.**	705,000	443,000
Legal reserve			-
Other reserves			-
Retained earnings (loss)		(335,514)	(127,242)
OWNERS’ EQUITY, TOTAL		**369,486**	**315,758**
LIABILITIES AND OWNERS’ EQUITY, TOTAL		**481,216**	**381,247**

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

The Financial statements were approved and signed on 14 June 2024.

Ottomar Paeväli
CEO

Violeta Alando
(Representative of the company managing the accounting)

INCOME STATEMENT AND STATEMENT ON OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023
(all amounts expressed in euros unless indicated otherwise)

	Note No.	2023	2022
Operating income			
Service and commission revenues		1,407	640
Revenue from provided IT services		26,189	43,841
Foreign exchange gains/losses, net		(6,962)	
Other operating income		93.	
Operating income, total	**11.**	**20,727**	**44,481**
Operating expenses			
Service and commission revenues		(12,481)	(1,890)
Personnel expenses		(136,745)	(125,468)
Other administrative expenses		(102,264)	(69,779)
Depreciation, amortisation		(31,470)	
Operating expenses, total	**12.**	**(282,960)**	**(197,137)**
Operating profit		**(262,233)**	**(152,656)**
Interest income	**13.**	18,253	3,146
PROFIT (LOSS) BEFORE TAX		**(243,980)**	**(149,510)**
Income tax	**15.**	35,708	22,268
PROFIT OR (-) LOSS		**(208,272)**	**(127,242)**

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

The Financial statements were approved and signed on 14 June 2024.

Ottomar Paeväli
CEO

Violeta Alando
(Representative of the company managing the accounting)

Fundvest UAB
Company code 305667997, address: Gedimino pr. 20, Vilnius

STATEMENT ON THE CHANGES IN EQUITY
FOR THE YEAR ENDED 31 December 2022
(all amounts expressed in euros unless indicated otherwise)

	Paid authorised capital and core capital capital	**Legal and reserve capital**	**Other reserves**	**Retained profit (loss)**	**Total**
Balance as of 31 December 2021	**200 000**	**-**	**-**	**-**	**200 000**
	-	-	-	-	-
Restated balance as of 31 December 2021	**200 000**	**-**	**-**	**-**	**200 000**
Net profit (loss) of the reporting period	-	-	-	(127, 242)	(127,242)
Dividends	-	-	-	-	-
Increase of the authorised capital	243 000	-	-	-	243 000
Other benefits					
Established reserves	-	-	-	-	-
Used reserves	-	-	-	-	-
Balance 31 December 2022	**443,000**			**(127,242)**	**315,758**
Net profit /loss of the reporting year	-	-	-	(208,272)	(208,272)
Dividend	-	-	-	-	-
Increase of the authorised capital	262,000	-	-	-	262,000
Other benefits	-	-	-	-	-
Established reserves	-	-	-	-	-
Used reserves	-	-	-	-	-
Balance 31 December 2023	**705,000**			**- -(335,514)**	**369,486**

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

The Financial statements were approved and signed on 14 June 2024.

Ottomar Paeväli
CEO

Violeta Alando
(Representative of the company
managing the accounting)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 December 2023
(all amounts expressed in euros unless indicated otherwise)

	2023	2022
Cash flows from operating activities		
Amounts received for services and	1,407	640.
commissions Amounts received for IT	-	-
services provided	(79,122)	(47,207)
Employee benefits	(163,765)	(224,943)
Advances received	-	-
from customers	(1,096)	-
Taxes paid	(7,423)	(4,570)
Deposit paid	(23,063)	-
Other monetary benefits from operating activities	(7,066)	(2,431)
Other monetary revenues from operating activities	4,563	55,070
Net cash flows from operating activities	**(275,565)**	**(223,441)**
Cash flows from investment activities		
Acquired IT Loans	-	-
granted	(52,260)	(114,170)
Recovery of loans granted	-	-
Interest received	6,849	-
Net cash flows from investment activities	**(45,411)**	**(114,170)**
Cash flows from financial activities		
Issue of shares	262,000	243,000
Dividends paid	-	-
Other monetary benefits from financial activities	-	-
Net cash flows from financial activities	**262,000**	**243,000**
Impact of the change of currency exchange upon cash balance	-	-
Net increase (decrease) in net cash flows	**(58,976)**	**(94,611)**
Money at the beginning of period	**105,389**	**200,000**
Money at the beginning of period	**46,413**	**105,389**

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

The Financial statements were approved and signed on 14 June 2024.

Ottomar Paeväli CEO	Violeta Alando (Representative of the company managing the accounting)

1. General information

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

Company office address: Gedimino Av. 20, Vilnius.

The authorised capital of the Company shall be EUR 705,000 (seven hundred and five thousand euro 0 cents), consisting of 705,000 registered ordinary shares with a nominal value of EUR 1.00 each. All shares are fully paid up.

The Company has not acquired any own shares.

The sole shareholder of the Company for the entire period has been and still is FUNDVEST OÜ 14918954.

There have been no transfers, sales or other changes of shareholders of the Company during 2023 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, excluding securities account management at the highest level in accordance with Chapter VI of the Law on Markets in Financial Instruments of the Republic of Lithuania.

The Company's principal areas of activity are the following:

- receiving and transmitting orders (to be executed by Saxo Bank);
- Custody, administration and management of financial instruments on behalf of clients, including custody of assets and other related services, e.g. custody of cash, with the exception of the management of top-tier securities accounts 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 at Swedbank);
- foreign exchange services in connection with the provision of investment (provided by Saxo Bank).

During 2023, the average number of the employees in the Company was 3.75 (5 in 2022), and four employees at the end of the reporting year. There were five employees at the end of the previous reporting year.

2. Governing bodies

According to the Articles of Association the Company's governing bodies are:

- general meeting of shareholders;
- collegiate bodies of management – Board;
- Single-person management body – Director (manager)

The Board of the Company at the end of 2023:

- EGON ORAV – Chairman of the Board;
- OTTOMAR PAEVÄLI – Members of the Board;
- MARTINS UNTALS – Members of the Board;
- SANDER SIIM VAHER – Members of the Board. The CEO of the Company Rasmus Klaassen.

3. Accounting policy

3.1. Basis for accounting

The present financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), which were effective at 31 December 2023. The financial statements have been prepared on the historical cost basis, except for financial instruments measured at fair value through profit or loss. Historical cost is essentially based on the fair value of the consideration paid for an asset.

Data on a legal entity are 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 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 coincides with 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 on a straight-line basis.

The managers of the Company approved the financial statements on 14 June 2024. The Company's shareholders 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 the International Financial Reporting Interpretations Committee (IFRIC) interpretations as of 1 January 2023.

Standards, amendments and interpretations adopted by the European Union but not yet effective that the Company has not early adopted: Amendments to the guidelines of practical implementation of IAS 1 and IFRS 2 –

Disclosure of accounting policies (published on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

The amendment to IAS 1 requires companies to disclose their material accounting policy information rather than their 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 regarded as material to an entity's financial statements. In addition, the amendments to IAS 1 clarify that it is not necessary to disclose irrelevant 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 Statement “Making Materiality Judgements”, which provides guidance on applying the concept of materiality to accounting policy disclosures.

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

Amendment to IAS 12 - *Deferred tax related to assets and liabilities arising from a single transaction* – amendment to IAS 12 (published on 7 May 2021 and applicable to annual periods beginning on or after 1 January 2023). The amendments to IAS 12 specify how to account for deferred income tax on such transactions as leases and decommissioning liabilities. Under the specified circumstances entities are permitted not to recognise income tax when they recognise assets or liabilities for the first time. Previously there was some uncertainty about whether the exemption applied to such transactions as lease and decommissioning liabilities, i.e transactions for which both assets and liabilities are recognised. The amendments clarified 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.

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 IFRS4, 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 that similar principles are applied to too all 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 are aimed at helping companies implement IFRS 17, simplifying some of the requirements of the standard and the transition to its application.

In the opinion of the Company's management, IFRS 17 will not have a material impact on the Company's financial statements because the Company does not engage in insurance activities.

Standards, amendments and interpretations adopted by the European Union but not yet effective that the Company has not early adopted:

Amendment to IAS 7 Cash flow statement and IFRS 7 Financial instrument: Disclosures. Supplier financing arrangements require an entity to disclose qualitative and quantitative information about its supplier financing arrangements, such as terms and conditions, including, for example, extended payment terms and securities or guarantees provided.

Among other features, IAS 7 clarifies that a supplier financing arrangement gives the entity longer payment terms and the entity's suppliers longer prepayment terms than the related invoice payment term.

Supplier (supplier chain) financing mechanism

7-Amendments to IAS 7 requires disclosing financial arrangements with suppliers.

This allows users of the financial statements to assess the impact of contracts on the entity's liabilities and cash flows, as well as its liquidity risk. Supplier finance agreements, where financial institutions offer to pay a company amounts owed to suppliers and agree to transfer them to the suppliers on or after the due date.

Such contracts give the company the opportunity to settle later. And suppliers can be paid earlier than the deadline specified in the contract with the company.

Supplier finance contracts are often referred to as supply chain/accounts payable finance or reverse factoring contracts.

Such arrangements do not include:

- arrangements entered into for the sole purpose of enhancing the creditworthiness of an entity, such as financial guarantees, including letters of credit used as collateral;
- means of direct payment of amounts due to a supplier, such as credit cards. The amendments

apply to annual periods beginning on or after 1 January 2024.

Amendments to the application guidance of IFRS 7 Financial instruments. Disclosure.

Prior to the amendments, an entity was required to provide a description of how it manages liquidity risk arising from financial liabilities. It is now necessary to disclose whether access was available to supplier financing arrangements that included longer payment terms or prepayment terms to suppliers.

The amendments to the IFRS 7 application guidance indicate that concentrations of liquidity and market risk can arise from vendor financing arrangements, whereby financial institutions concentrate some of the financial liabilities originally incurred with a number of different vendors. (The amendments apply to annual periods beginning on or after 1 January 2024).

IAS 1 Presentation of Financial Statements sets out the general requirements for financial statements, including their structure, minimum content requirements and key concepts such as **going concern**, the accrual basis of accounting and the **current/non-current difference.**

The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.

IAS 1 Presentation of Financial Statements sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. The classification of liabilities as current or non-current and non-current liabilities with contracts, published in 2020 and 2022, respectively, clarifies that the classification of liabilities as current or non-current is based solely on the entity's right to defer settlement for at least 12 months at the date of the financial statements. The right must exist at the date of the report and must be material. This right may be affected only by arrangements that the entity is required to comply with on or before the date of the financial statements. Arrangements that are required to be complied with after the date of the financial statements do not affect the classification of the liability as current or current at the date of the financial statements. However, disclosures about the arrangements are now required to enable users to understand the risk that the liabilities may become payable within 12 months of the reporting date. (The amendments apply to annual periods beginning on or after 1 January 2024).

Amendments to IFRS 16 Lease Lease liability for sale and leaseback transactions. The amendments require the seller and the lessee to account for variable rentals arising in a sale and leaseback transaction.

On initial recognition, the measurement of a lease liability arising from a sale and leaseback transaction shall include variable rentals.

After initial recognition, to apply the general requirements for subsequent accounting for a lease liability so that no gain or loss is recognised in respect of the retained right of use. The amendment requires lessee sellers to reassess, and possibly recalculate, sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019. The amendments to IFRS 16 include requirements for the subsequent measurement of sales and leaseback transactions that meet the requirements of IFRS 15 *Revenue from Contracts with Customers* and are accounted for as sales. The seller-lessee establishes the lease fees or specified se fees in a way that it recognises no amount of the gain or loss related to the right of use that it retains. The amendments do not affect the income, or the loss recognised by the seller-lessee as a result of the partial or total termination of the lease. (The amendments apply to annual periods beginning on or after 1 January 2024).

Lack of exchangeability (**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates**) is applied when one currency cannot be exchanged for another.

This may be due, for example, to government controls on capital imports and exports, or to the limited scope of transactions that can be carried out at the official exchange rate.

The amendments clarify when a currency is exchangeable into another currency and how an entity measures the spot rate for currencies that are not exchangeable.

The amendments introduce new disclosures to help users of the financial statements to assess the effect of using the estimated exchange rate. (Applies to annual periods beginning on or after 1 January 2025).

3.3. Key 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 in the books of account and shown in the financial statements.

Going concern principle. his is the concept that a business will remain in operation for the foreseeable future, and there are no reasons that would require the winding up of the Company or a material reduction in the Company's activities.

Consistency principle. A 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 are 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 and liabilities are expressed in cash in the financial statements.

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

Matching principle. The Company relates revenue earned during the 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. A company shall select accounting policies that do not result in an unreasonable overstatement or understatement of its assets, equity and liabilities, income and expenses.

The principle of substance over form The Company's presentation of economic transactions and events focuses on the substance and meaning of the transactions and events, not just the formal requirements of presentation. The Company records and presents transactions and events in the financial statements in accordance with their substance and economic substance, even when the presentation differs from the legal form.

3.4. Financial assets accounting

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 in the Company's own equity instruments.

Cash and cash equivalents consist of cash in hand and cash at banks, demand deposits and other short-term liquid investments (original maturity up to 3 months) that are readily convertible into cash and are subject to insignificant risk of changes in value.

Financial assets are measured at fair value on 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 through profit or loss are recognised in profit or loss) are added to or deducted from the fair value of the financial asset, as appropriate, at the date of 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 classified as:

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

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

- the financial asset is held under a business model whose objective is to hold the financial asset for the purpose of collecting contractually determined cash flows;
- the contractual terms of the financial asset are capable of giving rise to cash flows at specified dates 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:

- the financial asset is held under a business model that achieves its objective by collecting contractually agreed cash flows and selling the financial asset;
- the contractual terms of the financial asset are capable of giving rise to cash flows at specified dates that are solely payments of principal and interest on the principal outstanding.

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

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

A financial asset is recorded in the company's accounts only when the company receives, or becomes entitled to receive, cash or another financial asset. 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 on 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 through profit or loss are recognised in profit or loss) are added to or deducted from the fair value of the financial asset, as appropriate, at the date of initial recognition.

Investments in equity securities are carried at fair value at the time of 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 the 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 income statement and other comprehensive income 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.

Expected credit losses on financial assets are measured at an impairment amount equal to:

- 12-month expected credit losses; that is, expected credit losses arising from defaults that are probable within 12 months of the date of the financial statements; or
- Total expected credit losses; that is, the total expected credit losses that arise from all possible defaults during 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 initial recognition. For all other financial assets, expected credit losses are calculated 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 from that asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. If an entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to hold the transferred assets, the entity recognises the amount of the assets 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 of 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;
- those measured at fair value through profit or loss.

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

- those measured at fair value through profit or loss and derivatives;
- financial liabilities arising when the transfer of a financial asset does not meet the criteria for derecognition or when the continuation of control method is applied;
- contracts of financial guarantees;
- commitments to extend loans 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 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. On initial recognition of a financial liability, the Company shall measure it at fair value.

Financial liabilities are measured at each reporting date:

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

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

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

(all amounts expressed in euros unless indicated otherwise)

3.6. Foreign currency

For the purpose of preparing the Company's financial statements, foreign currency transactions are translated into euros 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 of that day. 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. Non-current intangible 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 acquisition cost less accumulated depreciation (amortisation) and impairment.

The following amortisation rates are applied to intangible fixed assets:

Intangible non-current asset group	Rates per year
Software	5

On 31 December 2023, the Company's intangible assets accounted for EUR 130,575 (EUR 13,876 on 31 December 2022).

3.8. Income 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 of 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;

Revenue received but not earned during the current financial period is recognised as a liability and recognised as revenue 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, rebates, 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 expensed 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 the statement of profit or loss and other comprehensive income when the Company's right to receive them is established.

3.9. Recognition of costs

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.

Where expenditure incurred during the period cannot be directly attributed to the generation of specific income and will not generate income in future periods, the expenditure is recognised as an expense in the period in which it is 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 retaining 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 may not be offset, except for unrealised income and expenses and income and expenses related to effective risk mitigation accounting.

Annual premiums for insurance of liabilities to investors, maintenance of operations 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 income statement and the statement of 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 comprise the cost of administrative staff, office space, office costs (stationery, communications, postage) and other costs associated with the administration of the Company.

3.10. Income tax

Corporate income tax is calculated and paid in accordance with the Law on Corporate 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 tax rates that are expected to apply in the period when the liability is settled or asset realised having regard to the rates that were adopted or essentially adopted as of the date of the statement of financial position.

A deferred tax asset is recognised in the statement of financial position when management expects to derive sufficient foreseeable taxable profit in the foreseeable future to allow 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 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 an irrevocable commitment and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

In the course of the previous reporting year the Company has not formed any provisions.

3.12. Related parties

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

3.13. Subsequent events

Subsequent events that provide additional information about the Company’s position at the date of the balance sheet (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are described in the Notes when that is material.

3.14. Use of accounting estimates in the preparation of financial statements

While implementing the accounting policies of the Company the management must produce estimations pass decisions and assumptions regarding the carrying amounts of the assets and liabilities that are not readily established by using other sources. The estimates and related assumptions are based on past experience and other directly relevant factors. Actual results may differ from the estimates provided.

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.

Estimates and key assumptions are reviewed on an ongoing basis. The results of the reviews of the accounting estimations are recognised in the same period in which the review was conducted will have an effect upon the period, or during the review period or in future periods, in case the review has an effect upon the current and the future periods.

(all amounts expressed in euros unless indicated otherwise)

4. Financial risk management

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 main objective of the Company's operational risk management is to ensure the timely identification of risks that may threaten the continuity of the Company's operations and the Company's capital adequacy and the application of measures to manage those risks.

Appropriate policies and procedures are in place to manage the risks: Risk Management Strategy, including the internal capital adequacy assessment process, Business Continuity Policy, Accounting Policy, Internal Control Policy and Rules, Safekeeping of Financial Instruments and Currency Procedure, Money Laundering Prevention Implementation Procedure, Investment Service Provision Rules, including the procedure for accepting and transmitting clients' orders, the procedure for dealing with clients' complaints, the Rules on the Handling of Personal Data, the Policy on Management and Avoidance of Conflicts of Interests, as well as other documentation.

The Company's main financial risk management procedures are as follows:

- Capital adequacy supervision is carried out in accordance with the Capital Requirements Directive 2013/36 and Directive 2019/2034 amending Directive 2013/36, as well as Regulation 575/2013 (CRD 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 - identification of risks, materiality assessment, determination of capital requirements, reporting, establishment of business continuity plans, etc;
- Compliance risk identification, assessment, monitoring, staff advisory, reporting;
- 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 shall be established, periodically reviewed, supplemented or repealed by the Board of Directors of the Company on the recommendation of the Chief Executive Officer of the Company. These principles must be communicated to staff involved in the internal capital adequacy assessment process.

The main risks that may affect the going concern are:

a) Credit and counterparty risks - the risk 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.

Credit risk is immaterial to the Company. The Company monitors its receivables periodically and assesses the degree of risk. There is no concentration of credit risk in the Company. Transactions to buy or sell financial instruments on an exchange 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 the maximum credit risk to be:

Assets	31 December 2023	31 December 2022

Cash and cash equivalents	46,413	105,389
Loans and amounts receivable	37,414	3,144
Loans to the parent company	186,230	114,170
Total	**270 057**	**222 703**

b) *Foreign exchange risk* is the risk that the Company will incur losses on its assets and liabilities denominated in a foreign currency 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 measured (denominated) in foreign currency.

Receivables are fixed in euro, so fluctuations in foreign exchange rates were not a risk for 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 external capital requirements and that it maintains adequate capital ratios to strengthen its operations and maximise shareholder value

The table below shows the calculation of the Company's capital adequacy ratios as of 31 December 2023.

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

The initial capital may not be lower than EUR 150,000. The amount of own funds shall not be less than EUR 150,000.
The Company shall at all times have own funds to meet the following conditions:

Period	**2023 I**	**2023 II**	**2023 III**	**2023 IV**
Authorised capital (paid)	533,000	619,000	669,000	705,000
Income 2,751	7,217	11,426	48,982	
Costs	(67,553)	(124,128)	(191,601)	(257,254)
Profit / loss	(64,802)	(116,911)	(180,175)	(208,272)
OWNER'S EQUITY 340,956	**374,847**	**361,583**	**369,486**	
Non-current intangible assets (derived from the capital adequacy estimation)	161,667	153,220	144,773	130,575
Owner's equity (excl. the non-current intangible assets)	179,289	221,627	216,810	238,911
Equity requirement	**150,000**	**150,000**	**150,000**	**150,000**
Capital adequacy ratio	**1.20.**	**1.48.**	**1.45.**	**1.59.**

* recalculated according to the minimum capital requirement applicable from 1 January 2023.

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

requirements. The table below shows the calculation of the Company's capital adequacy ratios as of 31 December

2023.

A company must meet the following requirements for own funds: CET1/D ≥ 56%

TIER1/D ≥ 75%

TIER2/D ≥ 100%

Where D is considered to be the amount of own funds of EUR 150,000. EUR 7,514.9 thousand.	**2023**	**2022**
CET 1 capital adequacy ratio (CET 1 Ratio)	120.6%	106.7%
Tier 1 capital adequacy ratio (CET 1 Ratio)	120.6%	106.7%
Own funds ratio (Own Funds Ratio/Tier2Ratio)	120.6%	106.7%

(all amounts expressed in euros unless indicated otherwise)

The Company is required to hold at least 1/3 of the previous year's fixed overheads as liquid assets.

The Law on Companies of the Republic of Lithuania requires that the Company's equity capital shall be at least 50% of its share capital, consisting of share capital and share premium. In 2023, the Company was compliant with all the requirement referred to above.

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 at a reasonable price within a given period of time. The Company has a conservative liquidity risk management policy to ensure that its current financial obligations are adequately met.

Financial assets and liabilities grouping time-wise: 31

December 2023

	Total per item	**Within Three months**	**After three months, but no later than in one year**	**After one year but not later than within five years**	**After five years**
Assets					
Cash	46,413	46,413	-	-	-
Loans and amounts receivable	37,415	37,415---			
Loans to a parent company	186,230	186,230	-	-	-
Other assets	22,608	22,608	-	-	-
Total:	**292,666**	**292,666**	-	-	-
Liabilities*					
Other amounts payable and liabilities	111,730	111,730	-	-	-
Total:	**111,730**	**111,730**	-	-	-
Net position	**180,935**	**180 935**			

* The amounts of undiscounted financial liabilities correspond to their carrying amounts. 31 December 2022

	Total per item	**Within three months**	**After three months, but no later than in one year**	**After one year but not later than within five year**	**After five years**
Assets					
Cash	105,389	105,389	-	-	-
Loans and amounts receivable	3,414	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 amounts payable 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.

5. Cash and cash equivalents

Cash and cash equivalents on 31 December:

	2023	**2022**
Cash in banks	46,176	159,284
Money in transit	237.	
Total	**46,413**	**105,389**

(all amounts expressed in euros unless indicated otherwise)

6. Loans to parent, Loans and receivables

As of 31 December, the loans and receivable were as follows:

	2023	2022
Loans to the parent company	186,230	114,170
Trade debtors	26,189	-
Loan interest receivable	10,130	3,144
Advances paid	1,095	-
Total	**223,644**	**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 shall be calculated monthly on the part of the credit actually used, on the last day of the month.

On 31 December 2023 and 2022 The Company had no overdue amounts. No impairment allowance for receivables has been formed in the Company due to its immaterial impact on the financial statements.

7. Other assets

As of 31 December the Company's other assets were as follows:

	2023	2022
Deposits	22,608	2,400
Total	**22,608**	**2,400**

8. Non-current intangible assets

As of 31 December the Company's intangible assets were as follows:

		Software	Total
Acquisition value			
	31 December 2021		
-Additions		133,876	133,876
Transfers and write-offs		-	-
Reclassifications		-	-
Impairment	-	-	
31 December 2022		**133,876**	**133,876**
- Additions		28,169	35,069
- Transfers and write-offs		-	-
- Reclassifications		-	-
Impairment	-	-	
31 December 2023		**133,876**	**133,876**
Accrued amortisation			
31 December 2021		**-**	**-**
- Amortisation -			-
- Transfers and write-offs		-	-
- Reclassifications		-	-
31 December 2022		**-**	**-**
- amortisation		(31,470)	(32,620)
- Transfers and write-offs		-	-
- Reclassifications		-	-
31 December 2023		**(31,470)**	**(32,620)**
Residual value:			
31 December 2022		**133,876**	**133,876**
31 December 2023		**130,575**	**136,325**

(all amounts expressed in euros unless indicated otherwise)

9. Other payables and liabilities, employment-related liabilities

As of 31 December, the other amounts payable and liabilities, and the liabilities in connection to labour relations were:

	2023	**2022**
Trade payables	31,351	5,665
Liabilities related to employment relations	22,169	28,325
Clients' funds	21,024	12,321
Accrued costs	16,988	19,100
Other amounts payable	20,199	78.
Total	**111,731**	**65,489**

10. Structure of the authorised capital

In 2023, the Company's authorised capital was equal to EUR 705,000. The authorised capital is divided into 705,000 ordinary registered shares, each of EUR 1 in nominal value. The authorised capital of the Company is fully paid up.

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

The legal reserve is made up of deductions from net profit and must not be less than 1/10 of the share capital. It is used to cover the losses. As at 31 December 2023, the legal reserve amounted to EUR 0.00 (31 December 2022 EUR 0.00)

Other reserves are made up of distributed profits and are used to meet the Company's specific objectives. At 31 December 2023, the balance of other reserves was EUR 0.00 (EUR 0.00 on 31 December 2022)

11. Operating income

As of 31 December the Company's operating income were as follows:

	2023	**2022**
Revenues for provided IT services	26,189	43,841
Service and commission revenues 1,407 640		
Exchange gains/(losses), net (6,962) - Other operating income 93 -		
Total	**22,727**	**44,481**

12. Operating expenses

As of 31 December the Company's operating Expenses were as follows:

	2023	**2022**
Service and commission revenues	**12,481**	**1,890**
Personnel expenses		
Salaries and other personnel expenses	134,200	121,036
Holiday accruals	2,545	4,432
Total	**136,745**	**125,468**
Other administrative expenses		
Legal costs	34,470	44,735
Amortisation costs	31,470	-
Audit expenses	14,375	14,375
Accounting costs	11,297	6,237
Advertising costs	8,275	-
Bank services	307.	346.
Other general administrative costs	33,540	4,086
Total	**133,734**	**69,779**
Operating costs, total	**282,960**	**197,137**

(all amounts expressed in euros unless indicated otherwise)

13. Interest income

As of 31 December, the Company's interest income were as follows:

	2023	2022
Income from financial investment activities:		
Income from interest from loans	13,835	3,145
Other interest income	4,418	1.
Net income from financial investment activities, total	**18,253**	**3,146**

14. Related parties operations

The table below shows the transactions with related companies during the period ended 31 December 2023:

Related parties		Amounts receivable	Amounts payable	Sales of goods and services	Purchases of goods and services
Parent company		222,550	19,801	40,024	-
Total	**222,550**	**19,801**	**40,024**		

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

Related parties	Amounts payable	Amounts payable	Purchases of goods and services	Purchases of goods and services
Parent company	117,314	-	46,986	-
Total	**117,314**	**-**	**46,986**	**-**

Management remuneration includes short-term benefits. In 2023, the total salaries of the Company's management amounted to EUR 10 800 (2022: EUR 12,329). In 2023 and 2022, the management included the CEO and the members of the Board.

15. Income tax

Components of income tax expense (income) for the year ended 31 December:

	2023	2022
Cost of income tax of the reporting year--		

Income tax adjustments for prior periods - - Deferred income tax expense (income) (35,708) (22,268) **Income tax expense (income) recognised in profit or loss**

	(35,708)	**(22,268)**

Income tax expense (income) for the year ended 31 December:

	2023	2022

Profit (loss) before tax (243,980) (149,510) Income tax expense at enacted tax rate - - Tax effect of expenses not reducing taxable profit 5,925 5,490

Tax effect of income not contributing to taxable profit	-	-
Change in deferred tax assets after impairment	(35,708)	(22,268)

Income tax expense (income) recognised in income statement (35,708) (22,268)

(all amounts expressed in euros unless indicated otherwise)

As of 31 December the Company's deferred tax assets/liabilities were as follows:

	2023	2022
Deferred income tax assets		
Annual leave reserve	665.	665.
Unused tax losses	57,311	21,603
Deferred income tax assets, total	**57,976**	**22,268**

16. Customers' assets

Off-balance sheet commitments are disclosed in the off-balance sheet statement to be presented together with the statement of financial position.

The off-balance sheet statement shall include the information set out in Annex I to Regulation (EU) No 575/2013, including the following information:

- Guarantees and indemnities given - guarantees and other contingent liabilities given by the undertaking that have the characteristics of a guarantee, such as repurchase and reverse repurchase agreements entered into by customers where the undertaking represents the customers in a fiduciary capacity.
- Amounts receivable from transactions on behalf of customers;
- 'Pledged customer securities' means customer securities pledged in favour of the enterprise under loan agreements
- Customer securities deriving from repurchase agreements - the market value of securities transferred under repurchase agreements where the repurchase agreement is made with an obligation to repurchase.
- Other off-balance sheet liabilities
- Amounts of derivative transactions entered into by customers with a third party
- Financial instruments on the basis of which clients have entered into a CFD with a third party
- Financial instruments on the basis of which clients have entered into a CFD with a firm
- Financial instruments on the basis of which the firm has purchased securities as leverage in a CFD
- Financial instruments on the basis of which the firm has entered into a CFD with a third party. Assets and

liabilities entrusted to management are held in off-balance-sheet accounts.

- Client assets under management' means client assets managed by the investment firm under portfolio management arrangements and under arrangements for ongoing advice;
- Managed customer cash;
- Manages customer securities;
- Customer assets under custody and administration are the assets of the firm's customers that the firm holds and administers;
- Client money held in custody and administration; - Client securities held in custody and administration.

	2023	2022
Managed client assets	101,297	45,377
Total	**101,297**	**45,377**

17. Contingent liabilities and off-balance sheet commitments

The Company has not been subject to a full tax audit by the tax authorities. The tax authorities may at any time examine the accounting, transactional and other documents, records and tax returns of the Company 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.

On 31 December 2023, 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.

18. Subsequent 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.

Ottomar Paeväli	Violeta Alando
CEO	(Representative of the company managing the accounting)