Joint Stock Company
“Mintos Marketplace”

Unified registration number 40103903643

Report for the year 2024
(10th financial year)

PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION
TOGETHER WITH INDEPENDENT AUDITORS’ REPORT

Riga, Latvia
2025

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Management Report

General information

Name of the company	Mintos Marketplace
Legal status of the company	Joint stock company, investment firm
Unified registration number, place and date of registration	40103903643 Riga, 1 June 2015
Registered office	Skanstes iela 50 Riga, Latvia, LV-1013
Licence number and date	06.06.08.719/534, 17 August 2021; updated with licence No.27-55/2024/6 28 November 2024
Sole shareholder	AS Mintos Holdings
Board Members	Martins Sulte – Chairman of the Management Board Martins Valters – Member of the Management Board Karlis Kronbergs – Member of the Management Board Inese Lazdovska – Member of the Management Board Marcis Gogis – Member of the Management Board
Supervisory Board Members	Janis Abasins – Chairman of the Supervisory Board Mikus Janvars – Deputy of the Chairman of the Supervisory Board Reinis Viba – Member of the Supervisory Board
Financial period	1 January – 31 December 2024
Auditor	Rainers Vilans Latvian Certified Auditor Certificate No. 200 SIA KPMG Baltics Roberta Hirsa iela 1, Riga Latvia, LV-1045 Licence No. 55

Building an all-in-one investment platform for regular income

AS Mintos Marketplace (hereinafter – Mintos or the Company) is Europe's leading investment platform for earning regular passive income, with over EUR 700 million in assets under management for more than 500 000 registered users. As an authorized investment firm under The Markets in Financial Instruments Directive (hereinafter – MiFID II), Mintos enables users to build diversified portfolios of income-generating assets through both automated and manual investment strategies. We've earned multiple industry awards since our founding in 2015, including five consecutive AltFi People's Choice Awards.

We set out as a platform for investing in loans, and grew into the market leader in Europe. While investments in loans remained our core business, we started the transformation into a multi-asset investment platform with the launch of bonds and ETFs in late 2023. In 2024, we rounded out our offering with the addition of rental residential real estate and Smart Cash. This broad offering enables us to become the one-stop solution for income-focused investing as we scale our business to help retail investors across the EU reach their financial goals.

Continuing our multi-asset transformation

In 2024 we continued our pivot to a multi-asset platform. By adding real estate and Smart Cash (money market funds) to our portfolio, we're now offering most major asset classes. And with single ETFs and stocks in the pipeline, we're forging ahead with our vision to offer industry-leading diversification on a single platform. Our focus on helping investors grow their wealth with income-generating assets is a key selling point against our competitors.

Our successful pivot to multi-asset investing is clearly proven by the uptake from investors newly registering in 2024. We also saw a growing number of our existing investors include new asset classes in their portfolios. While loans remained the leading asset class, investors are allocating an increasing share of their investments to other asset classes, with bonds, ETFs, and Smart Cash being the most popular.

The diverse selection of investments now available on Mintos provides investors with unprecedented opportunities to manage investment risk through diversification on a single platform.

Loans

Investments in loans, where Mintos is the largest platform in Europe by a wide margin, remained a strong core business in 2024. Over the course of the year, we continued to invest in our loan products, such as improving the user experience and investment algorithms of our flagship product, Core Loans.

Bonds

Bonds quickly became a success story in 2024, accounting for a growing share of new investments over the course of the year. To further scale our offering and address new customer segments, we started working on bringing direct bond investments to Mintos to complement our bond-backed securities. This enables us to introduce bonds from a vast selection of industries, creating even greater opportunities for diversification and catering to a wide range of investor preferences. Direct bond investments were launched in January 2025.

ETFs

ETFs have been growing steadily over the past year. To automate processes and manage portfolios more efficiently, we partnered with Upvest, a leading provider of investment infrastructure. The Upvest API enables us to easily scale our current ETF offering and introduce a broader range of investments in 2025, including new ETF portfolios and single ETFs.

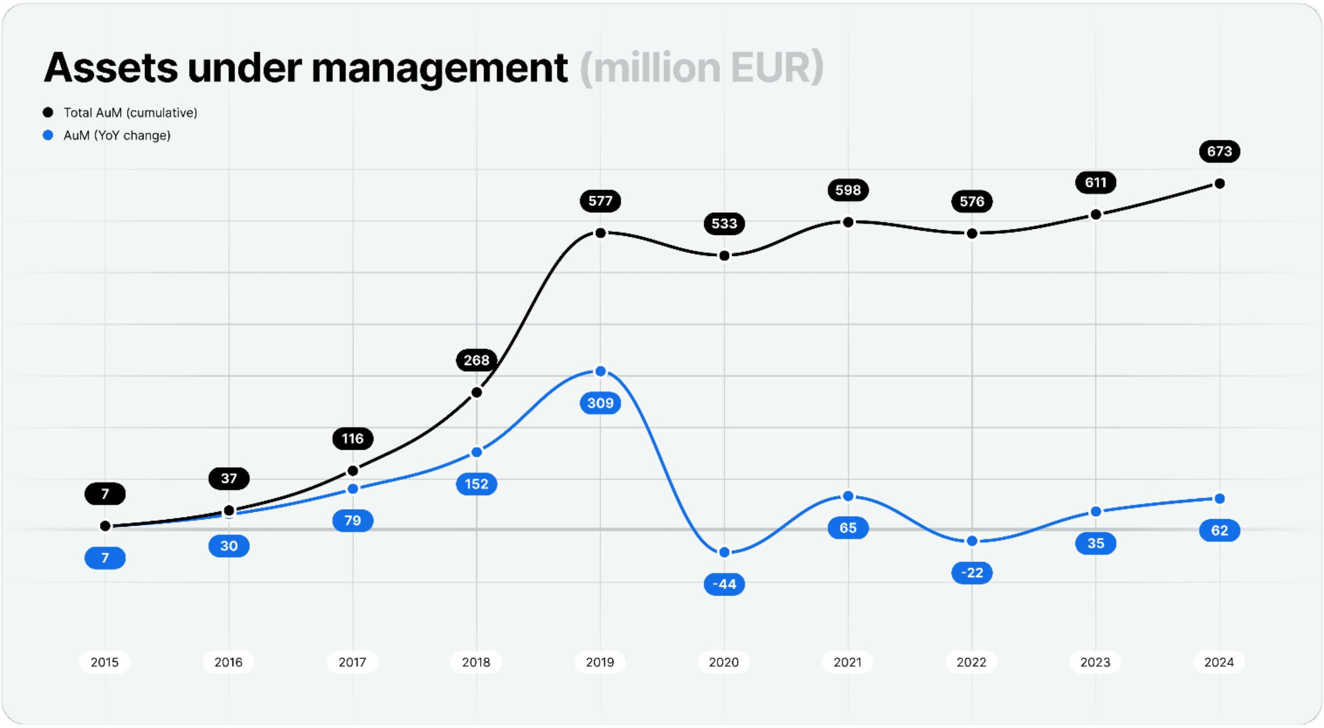
Smart Cash

Our youngest asset class, Smart Cash, is a cash management solution that allows investors to invest in a money market fund. Right from its launch in June 2024, it gained traction and quickly became one of the most popular asset classes on Mintos. It has drawn particularly strong interest from large investors (including companies) in markets with low bank interest rates.

Real estate

Launched in April 2024, real estate received strong interest from investors. Available offers sold out quickly, showing high demand and great promise. We're now working on broadening our supply by expanding the cooperation with our current partners as well as onboarding new partners.

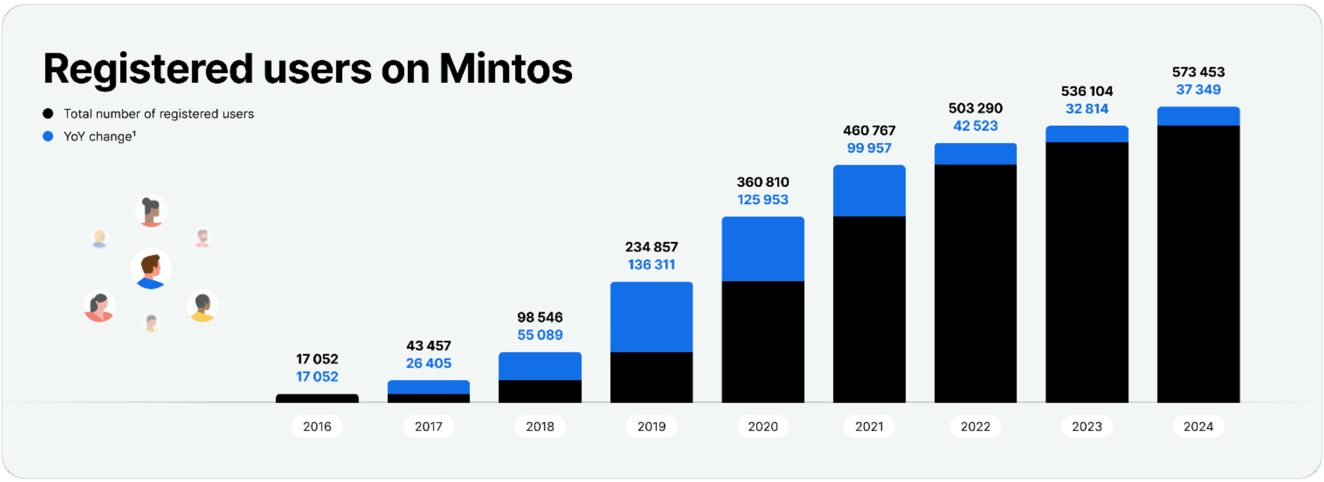
Our total assets under management reached EUR 673 million at the end of 2024, a EUR 62 million (9%) increase over 2023.



Scaling across the EU

We completed our European expansion in 2024 and are now fully operational across the continent. This comprehensive rollout represents a significant milestone in our plan to offer flexible and diverse investment opportunities to all European investors.

By the end of the year, 43 thousand new investors had joined Mintos (2023: 36 thousand). We saw increased interest from new countries, most notably Portugal, which became our 10th fully localized market.



Raising capital to accelerate growth

In April 2024, Mintos Group returned to Crowdcube and raised EUR 3.1 million in equity investments from over 3 300 investors. This is our second crowdfunding campaign after 2020, when we raised EUR 6.5 million from over 6 100 investors, at that time the largest raise in continental Europe on Crowdcube. We greatly appreciate the interest from our community in owning part of Mintos and sharing our success. In September, we secured an additional EUR 2 million in debt from the growth capital fund FlyCap.

These funds will help us fuel our growth initiatives by doubling down on investor acquisition and retention, as well as delivering value to our investors by continuously enhancing our products and broadening our offering.

Financial results

In 2024, we further diversified our revenue streams, leading to a revenue increase of 9% compared to the year before. We closed the year with EUR 12.1 million in revenue, up from EUR 11.1 million in 2023.

Our total cost base increased over the course of the year. We invested more into customer acquisition to grow our user base. Moreover, we expanded our team to help us launch and service our new products, which increased the total salary cost.

This led to a total comprehensive loss of EUR 2.1 million, down from a EUR 1.05 million profit in 2023. The result includes EUR 427 thousand related to the fair value of share-based payment benefits which are being recognized over the vesting period. Excluding these payments, the result is a loss of EUR 1.67 million compared to a profit of EUR 1.17 million in 2023 (adjustment for share-based payment benefits included).

In 2024, we continued to make significant investments in our IT systems to support our new products and improve the efficiency of existing products. We invested a total of EUR 2.78 million, compared to EUR 1.81 million in 2023.

The Management Board proposes to carry forward the accumulated losses and cover them with future profits as they arise.

2025 outlook

In 2025 we'll complete our investment offering by adding the remaining major asset classes. We started the year by launching direct bond investments in January, which allows us to expand significantly and scale our bond offering. We'll also capitalize on our integration with Upvest to bring investments in single ETFs and stocks to Mintos. To complete our offering, we will look to expand into other assets to help investors build fully diversified portfolios on a single platform.

We'll also launch new options for depositing cash to Mintos. By adding open banking, card payments, and Apple Pay and Google Pay, customers will be able to top up their accounts and start investing in a faster and more seamless way.

Risks and uncertainties

Risk management is an integral part of our operations at Mintos and essential to ensure sustainable business development. Our risk management strategy is defined in our Disclosure on risk management practices, which is provided in accordance with the disclosure requirements set out in Regulation (EU) 2019/2033. We assess which risks are material to our operations on an annual basis, and have identified the following risks as material: compliance risk, concentration risk, counterparty and credit risk, liquidity risk, operational risk, and reputational risk. For each material risk, we create policies that outline how the risk is managed, controlled, and monitored. Risk management policies are approved by the Supervisory Board.

Our business operations are affected by market dynamics on the macroeconomic level. As investments in loans account for the majority of our assets under management, Mintos' performance is tied to the ability of borrowers across multiple geographies to make repayments on their loans, and on the business performance of the lending companies on the platform. As our asset mix diversifies to include bonds, ETFs, and real estate, the performance of financial markets and related industries becomes increasingly relevant. While Mintos does not invest in financial instruments for trading on its own behalf, fluctuations in financial markets still impact customer demand, indirectly affecting our performance. To navigate these dynamics, Mintos' management and risk team monitor global developments, assess the potential risks, and evaluate responses where necessary. However, market risk currently is not considered significant.

We're committed to maintaining a controlled environment that protects investors and enables us to effectively prevent or fight financial crime on the platform. To this end, we're monitoring all transactions according to a set of Know Your Customer (KYC), Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF), counter-proliferation financing, and sanctions compliance procedures. Mintos follows the General Data Protection regulation requirements and continually invests in resilient technologies for data security.

We're also dedicated to protecting investors on the platform from exposing themselves to unacceptable risk levels. To achieve this, investors need to complete a Suitability and Appropriateness assessment before investing, and we provide them with supporting tools for assessing the risk of an investment, such as the Mintos Risk Score. We are also working on initiatives to increase investors' awareness of the risks that come with investing.

Events after the balance sheet date

There have been no significant events after the balance sheet date.

Martins Sulte Chairman of the Management Board	Martins Valters Member of the Management Board	Karlis Kronbergs Member of the Management Board
Inese Lazdovska Member of the Management Board	Marcis Gogis Member of the Management Board	

31 March 2025

Statement of Management Responsibilities

Mintos management will continue to assess the market developments to make decisions that serve the best interest of Mintos.

Mintos management is responsible for preparing the Company's financial statements, ensuring compliance with IFRS Accounting Standards as adopted by the European Union (EU). These financial statements provide a true and fair view of the Company's financial position as of 31 December 2024, its operational results, and cash flows for the year.

Additionally, the Company's management is accountable for maintaining accurate accounting records, ensuring that both Company's and investor assets are safeguarded according to regulatory requirements and prevention of fraud and other illicit activities.

It is also tasked with ensuring the Company operates in accordance with the relevant legislation.

Furthermore, the Company's management confirms that these financial statements were prepared in accordance with IFRS Accounting Standards on a going concern basis and fully comply with the Regulations of Latvijas Banka on the Preparation of Annual Reports and Consolidated Annual Reports of Banks, Investment Firms, and Private pension funds. The financial statements were prepared based on source documents, applying appropriate accounting policies. Prudent and reasonable judgments and estimates were applied in their preparation.

The conclusions and comments in this management report are based on information available at the time of completion of this report.

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31 March 2025

Statement of Comprehensive Income

	Notes	2024 EUR	2023 EUR
Commission and fee income	5	12 089 329	11 106 823
Commission and fee expenses	6	(37 455)	(57 101)
Net commission income		**12 051 874**	**11 049 722**
Employee remuneration expenses	7	(5 182 544)	(4 146 576)
Depreciation and amortization	14, 15	(2 121 797)	(1 870 571)
Administrative and other general expenses	8	(7 517 983)	(5 743 259)
Other income	9	781 116	1 856 819
Other expenses	10	(126 231)	(115 384)
Impairment reverse/ (losses)	29a	44 237	(11 638)
Interest income	11	70 244	55 232
Interest expenses	12	(93 725)	(24 612)
(Loss)/ income before tax		**(2 094 809)**	**1 049 733**
Corporate income tax	13	-	-
(Loss)/ income for the year		**(2 094 809)**	**1 049 733**
Other comprehensive (loss)/ income		**-**	**-**
Total comprehensive (loss)/ income		**(2 094 809)**	**1 049 733**

The accompanying notes on pages 12 to 39 form an integral part of these Financial Statements.

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31 March 2025

Statement of Financial Position

ASSETS	Notes	31.12.2024 EUR	31.12.2023 EUR
Non-current assets			
Intangible assets	14	3 620 155	2 621 957
Fixed assets	14	229 870	220 181
Right-of-use leased assets	15	296 797	509 537
Other debtors and assets	17	496 079	327 036
Total non-current assets		**4 642 901**	**3 678 711**
Current assets			
Trade receivables	16	944 539	1 065 903
Other debtors and assets	17	832 669	1 825 799
Cash and cash equivalents	18	4 001 980	1 797 700
Total current assets		**5 779 188**	**4 689 402**
TOTAL ASSETS		**10 422 089**	**8 368 113**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	8 150 000	6 150 000
Other capital reserves	19, 26	780 967	366 396
Accumulated losses		(3 303 902)	(1 221 920)
Total Equity		**5 627 065**	**5 294 476**
Non-current liabilities			
Lease	15	58 250	290 263
Borrowings	20	1 843 873	-
Contract liabilities	24	216 417	177 936
Total Non-current liabilities		**2 118 540**	**468 199**
Current liabilities			
Trade and other payables	21	831 362	995 073
Lease	15	232 268	222 174
Borrowings	20	167 970	-
Corporate income tax		19 724	15 418
Taxes and State mandatory social insurance payments	22	306 761	313 748
Accrued liabilities	23	620 467	636 121
Contract liabilities	24	497 932	422 904
Total Current liabilities		**2 676 484**	**2 605 438**
TOTAL EQUITY AND LIABILITIES		**10 422 089**	**8 368 113**

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31 March 2025

Statement of Cash Flows

Cash flows to/ from operating activities	Notes	2024 EUR	2023 EUR
(Loss)/ profit before tax		(2 094 809)	1 049 733
Adjustments for:			
Amortization and depreciation	14, 15	2 121 797	1 870 571
Loss from fluctuations of currency exchange rates	10	25 053	17 850
Other interest and similar income	11	(70 244)	(55 232)
Interest and similar expense	12	93 725	24 612
Share-based payment expense	7	427 398	121 056
Loss/ (gain) on disposal of property, plant and equipment		(3 786)	4 030
(Increase)/ decrease in receivables and other assets		(123 980)	(719 740)
Increase in payables		35 679	668 760
Cash generated from operations		**410 833**	**2 981 640**
Corporate income tax paid		(32 448)	(7 334)
Net cash flows to/ from operating activities		**378 385**	**2 974 306**
Cash flows to/ from investing activities			
Purchase of equipment	14	(138 518)	(150 019)
Disposals of equipment		3 803	2 955
Purchase of intangible assets	14	(2 780 180)	(1 813 637)
Deposit	17	1 000 000	(1 000 000)
Issued loans	25	(250 000)	(810 000)
Received repayment of issued loans	25	250 000	810 000
Interest received		70 772	47 797
Net cash flows to investing activities		**(1 844 123)**	**(2 912 904)**
Cash flows to/ from financing activities			
Issued share capital	19	2 000 000	-
Received loans	20	2 000 000	-
Loan origination costs	20	(26 000)	-
Payment of lease liabilities	15	(242 485)	(231 800)
Interest paid	20	(36 444)	-
Net cash flows to/ from financing activities		**3 695 071**	**(231 800)**
Change in cash and cash equivalents		2 229 333	(170 398)
Net foreign exchange difference		(25 053)	(17 850)
Cash and cash equivalents at the beginning of the year		1 797 700	1 985 948
Cash and cash equivalents at the end of the year	**18**	**4 001 980**	**1 797 700**

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31 March 2025

Statement of Changes in Equity

	Notes	Share capital EUR	Other capital reserves EUR	Retained earnings / (accumulated losses) EUR	Total EUR
Balance as of 31 December 2022		**6 150 000**	**852 536**	**(2 878 849)**	**4 123 687**
Income for the reporting year		-	-	1 049 733	**1 049 733**
Reduction of share-based payments reserve balance	19	-	(607 196)	607 196	**-**
Share-based payments	26	-	121 056	-	**121 056**
Total comprehensive income		-	-	1 049 733	**1 049 733**
Balance as of 31 December 2023		**6 150 000**	**366 396**	**(1 221 920)**	**5 294 476**
(Loss) for the reporting year		-	-	(2 094 809)	**(2 094 809)**
Issue of share capital	19	2 000 000	-	-	**2 000 000**
Reduction of share-based payments reserve balance	19	-	(12 827)	12 827	**-**
Share-based payments	26	-	427 398	-	**427 398**
Total comprehensive (loss)		-	-	(2 094 809)	**(2 094 809)**
Balance as of 31 December 2024	**19**	**8 150 000**	**780 967**	**(3 303 902)**	**5 627 065**

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31 March 2025

Notes to the Financial Statements

1. Corporate information

The Company was registered with the Republic of Latvia Enterprise Register on 1 June 2015. The registered office of the Company is at Skanstes iela 50, Riga.

On 17 August 2021, the Company became an investment firm licensed to provide investment and auxiliary investment services. The activities of the Company are regulated by the Financial Instruments Market Law, Law on Investment Firms, and other normative documents of the Republic of Latvia. Latvijas Banka, the central bank of Latvia, monitors the Company's operation.

NACE

66.12 Security and commodity contracts brokerage

During the reporting year, the company's core business activity was operating a global online investment platform providing investors with an easy and transparent way to invest in alternative and traditional financial assets.

The parent company of the Company is AS Mintos Holdings (Latvia).

The Company's financial statements for the period from 1 January 2024 through 31 December 2024 were approved by a resolution of the Company's Board on 31 March 2025. In accordance with the Commercial Law of the Republic of Latvia, the shareholders' meeting has the right to decide on the approval of the financial statements.

2. Summary of material accounting policies

a. Basis of preparation

These individual financial statements of the Company are based on the accounting records made pursuant to the legislative requirements and prepared in conformity with IFRS Accounting Standards as adopted by the European Union effective as at the date of these financial statements and in line with requirements set by the Republic of Latvia and Latvijas Banka.

The financial statements were prepared on a going concern basis. These financial statements are prepared on a historical cost basis.

The presentation currency used in the financial statement is *euro* (EUR), the presentation currency of the Republic of Latvia. The financial statements cover the period 1 January 2024 through 31 December 2024.

The individual financial statements provide comparative information in respect of the previous period. The comparative period is from 1 January 2023 through 31 December 2023.

The chart of accounts corresponds to the requirements laid down by Latvijas Banka in the Regulations on the Preparation of Annual Reports and Annual Consolidated Reports for Banks, Investment Firms and Private Pension Funds.

b. New standards and amendments

New accounting and financial reporting standards, interpretations, and amendments that were not applicable to the previous annual financial statements since then have been issued. Some of the standards become effective in 2024, others become effective for later reporting periods. In this section, those relevant to the Company are summarized. It is disclosed where the implementation impact was or is expected to be reasonably material.

The following new and amended standards are not expected to have a significant impact on the Company's financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

c. Standards issued but not yet effective and not early adopted

A number of new standards or amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted the new standards or amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the Company's financial statements:

- Lack of Exchangeability (Amendments to IAS 21);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Accounting standards Volume 11 (issued on 18 July 2024);
- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued on 9 April 2024);
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on 9 May 2024.

2. Summary of significant accounting policies (continued)

d. Financial instruments

(i) Classification

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets are classified as either financial assets subsequently measured at amortized cost, at fair value through profit or loss, or fair value through other comprehensive income (OCI). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. When financial assets are recognized initially, they are measured at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows result from collecting contractual cash flows, selling financial assets, or both. The Company determines the classification of its financial assets after initial recognition and, where allowed or prompted and appropriate, re-evaluates this designation at each financial year-end. Currently, all the Company's financial assets are classified and measured at amortized cost.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans, borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate. Currently, all the Company's financial liabilities are classified as amortized costs.

(ii) Date of recognition

Accounts receivable from another entity are recognized after services are provided to another entity. Other assets are recognized on the date when the Company enters into the contract, giving rise to the financial instruments.

(iii) Initial and subsequent measurement of financial instruments

All financial instruments are measured initially at their fair value, and in case of financial assets not at fair value through profit or loss, loans and borrowings, and payables net of directly attributable transaction costs.

<u>Financial assets at amortized cost</u>

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding financial assets to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, financial assets measured at amortized cost are measured at amortized cost using the EIR, less allowance for impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in Interest and similar income in the Statement of Comprehensive Income. The losses arising from impairment are recognized in the Statement of Comprehensive Income in Credit loss expense. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired. The Company's financial assets at amortized cost include trade receivables, accrued income, and loans to related parties.

<u>Borrowings</u>

Borrowings are initially recognized at fair value, net of directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest Rate (hereinafter - EIR). The EIR is determined based on expected future cash outflows, considering all contractual terms, including revenue-linked interest components. For loans with variable interest rates tied to revenue growth, the Management estimates expected future payments based on reasonable and supportable forecasts. Changes in estimated future payments result in adjustment to the carrying amounts of the borrowings while the original EIR continues to be applied. This approach may lead to periodic true-up adjustments as actual revenue growth differs from initial estimates. As the interest component is directly tied to turnover growth, it does not meet the definition of an embedded derivative per IFRS 9. Interest expense is recognized in profit or loss using the original EIR.

2. Summary of significant accounting policies (continued)

d. Financial instruments (continued)

(iv) Derecognition

A financial asset is derecognized only when the contractual rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. A financial liability is derecognized only when the obligation under the liability is discharged according to the contract or cancelled or expires.

All purchases and sales of financial assets are recognized and derecognized on the settlement date.

(v) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms, if relevant.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial assets where the Company calculates ECL are:

- Trade receivables and other receivables
- Loans to related parties
- Cash and cash equivalents.

Impairment of other receivables from customers/contract assets (Trade receivables)

For trade receivables and unbilled receivables, the Company applies a simplified approach to calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs on each reporting date. The Company is considering its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Due to the specifics of the Company's operations, whereby there is only a very limited number of counterparties and a very short payment cycle for trade receivables, the majority of the trade receivables outstanding as of year-end are paid according to the contractual payment due date which is shortly after the year-end. As a result, in practice, there can be limited need, if any, for forward-looking adjustments to be made.

Impairment of loans to related parties

Receivables from related parties are inherently subject to the Company's credit risk. For related party exposures, Stage 2 and lifetime ECL calculation is applied based on 30 days back stop and 90 days back stop is applied to Stage 3 determination. Further qualitative factors evaluated include extension of the payment terms granted, previous arrears in the last 12 months, and significant adverse changes in business.

Impairment of cash and cash equivalents

For cash and cash equivalents, default is considered as soon as balances are not cleared beyond the conventional banking settlement timeline, i.e., a few days. Therefore, the transition is straight from Stage 1 to Stage 3, given the low number of days that it would take the exposure to reach Stage 3 classification, meaning default. For cash and cash equivalents, no Stage 2 is applied, given that any past due days would result in default.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit engagements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

e. Intangible assets

Intangible assets comprise purchased licenses, internally developed software, and purchased internet domain names. Intangible non-current assets are stated at cost and amortized over their estimated useful lives on a straight-line basis over a 3-year period, except purchased internet domain name, which is not amortized and not tested as there were no indications. Internally developed software development costs include the costs related to software development, mainly consisting of internally capitalized salary expenses. The Company has made an estimation of the responsibilities for every development team member's duty, based on that salary expenses are capitalized.

2. Summary of significant accounting policies (continued)

f. Fixed assets

Equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Equipment	- over 3 to 5 years

Depreciation is calculated when the asset is available for use, i.e., when it is in the location and condition necessary for it operating in the manner intended by management or it is engaged in commercial activity.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the asset's continued use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of comprehensive income in the year the item is derecognized.

g. Client contract acquisition costs

The Company incurred various expenditures related to client (investor) acquisitions through marketing campaigns, referral programs, active and inactive investor bonuses, and affiliate campaigns. Under IFRS 15, these costs are capitalized when they are directly attributable to obtaining a contract and are expected to be recoverable. If a reliable measurement is possible, the lower of the incurred expenditure or the expected future economic benefit is recognized as deferred client acquisition costs in the statement of financial position. Otherwise, the expenditure is expensed directly to profit and loss. The future economic benefit arises from commission income generated as a direct result of incurred expenditure. The Management estimates the average cost recovery period using historical investor retention and portfolio growth data. Based on portfolio income analysis, discounted using the weighted average cost of capital, the estimated recovery period for different campaign types ranges from approximately two to four years. To account for variations in investor distribution across campaigns and potential structural changes, the Company applies a uniform 36-month amortization period to all capitalized acquisition costs. If estimates of economic benefits related to previously recognized client acquisition costs change and the expected economic benefits are lower than previously assessed, a write-down is made. The amortization method is periodically reviewed to ensure alignment with expected cost recovery patterns.

h. Impairment of non-financial assets

The Company assesses at each reporting date or more frequently if events or changes in circumstances indicate that there is an indication that a non-financial asset may be impaired. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the Statement of Comprehensive Income.

A previously recognized impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increased amount constitutes a reversal of impairment losses. In case of reversal of impairment, the carrying amount is increased up to its recoverable amount but only to an extent it doesn't exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment of goodwill is never allowed to be reversed.

i. Cash and cash equivalents

Cash and cash equivalents include unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortized cost in the statement of financial position.

j. Income and expense recognition

The Company applied IFRS 15 to all revenue arising from contracts with customers. The Company establishes a five-step model to account for the revenue arising from contracts with its customers. It requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company considers all the relevant facts and circumstances when applying each step of the IFRS 15 five-step revenue recognition model to contracts with the customers. Accounting is specified for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The Company recognizes revenues using the input method on a straight-line basis.

2. Summary of significant accounting policies (continued)

j. Income and expense recognition (continued)

The main source of income is Service fee – lending companies, which includes the Service fee calculated from the outstanding loans and the Success fee for the amount of long-term Notes financed during the period. Revenue from the Service fee is recognized over time and is a variable amount. A performance obligation is to provide service of using a platform monthly The Success fee is received from lending companies for the completed sale of financial instruments. If Notes financed are repaid before the contractual maturity date, the fee should be returned proportionately. The Success fee received is partially recognized over time, with the remaining proportion estimated to be returned being recognized as return liability. The estimate is based on historical data analysis of what are the financial instruments' early repayment patterns, and it is reassessed on an annual basis. These fees are closely related as are based on the financed amount and are shown and booked together.

Connection fees obtained by the Company are non-refundable upfront fees paid by the lending companies for the connection to the Mintos platform. Connection fees do not represent a separate performance obligation from the provision of service of using the platform. Therefore, revenue from connection fees is deferred and recognized as revenue over the estimated term of customer relationship (i.e., period of lending companies using the platform), which is 3 years based on current historical information and the best estimate of the management. The fee is a fixed amount agreed in the contract. Connection fees received from customers deferred are accounted as contract liabilities in the statement of financial position. After launching Notes, additionally to the connection fee, there is an annual prospectus renewal fee recognized as revenue within 12 months.

The Performance fee is paid by lending companies in case the interest paid to investors is below the benchmark rate agreed and is calculated as the spread between the actual interest rate and the benchmark rate and applied to the invested amount. This fee is not applied to investments in Notes.

The Company recognizes the bond placement fee for the arranged sale of bonds for issuance of bonds and rental real estate backed Notes in the month for which the sale occurred at a point in time.

The Company recognizes penalty income from contract penalties and late payments (related to only investments via claims). From the date when the Company has legal rights on such penalty the Company recognizes these when the Company is sure it will receive it; usually, it is income payment date.

The Company receives monitoring fees from lending companies for the administration of payment delays related to Notes. The Company recognizes the revenue when the lending companies pay the fee, i.e., on the fee payment date.

Foreign currency exchange commissions and secondary market fees are recognized at a point in time and are variable amounts. Performance obligation is satisfied when service is provided to a customer.

The Company recognizes inactivity fee income, fee on the outstanding portfolio amount in Core Loans, High-yield, and Conservative portfolios, and Smart Cash fee on the amount invested in money market fund in the month for which it was calculated and collected.

The Company recognizes the Net interest income fee earned on the value of clients' uninvested funds over time in the month for which it was calculated and the net of payments made to clients.

All payments are typically due 7-14 days without having a financing component.

Expenses are recognized on an accrual basis.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Unbilled receivables consist of commissions and fees that have not been billed yet as of the balance sheet date.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

2. Summary of significant accounting policies (continued)

j. Income and expense recognition (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received payment (or payment is due) from the customer. If a customer pays before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or when the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. Contract liabilities are advances received. The Company recognizes the revenues as an average monthly amount over the estimated length of the customer relationship.

k. Share-based payments

All employees of the Company who select a remuneration package with included employee stock options receive remuneration for services provided in the form of share-based payments. All of the Company's share-based payments are equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value when the grant is made using a Black-Scholes valuation model detailed in Note 26. That cost is recognized under employee remuneration expense (Note 7), together with the corresponding increase in equity (other capital reserves), over the period the service is provided. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Statement of comprehensive income for a period represents the movement in cumulative expense recognized at the beginning and end of that period. The Company annually reassesses the corresponding capital reserve to reflect only the outstanding share option agreements.

Service and non-market performance conditions are not considered when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award but without an associated service requirement are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as of the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee. Where an award is cancelled by the entity or the counterparty, any remaining element of the award's fair value is expensed immediately through profit or loss.

l. Fair value

Fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or;
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

m. Contingencies

Contingent liabilities are not recognized in financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but is disclosed when an inflow of economic benefits is probable.

n. Client funds and financial instruments

Client funds and financial instruments consist of the clients' safeguarded funds that are not invested and financial instruments on the Mintos platform in which the clients have invested. One of the financial instruments offered to investors are Notes that, after pooling together 6-20 loans issued by lending companies or are backed by bonds or rental real estate, are emitted by a special purpose entity within the Mintos Group (refer to Note 25 for group information) that acts as the issuer. The Company also offers money market funds units and financial instruments called ETFs (exchange-traded funds) that can consist of various types of securities, most commonly stocks or bonds, which are traded on an exchange, which increases their liquidity. As the Company does not bear the credit risks and other finance risks related to client funds and financial instruments but only earns a commission for servicing them, they are not recognized in the statement of financial position. Client funds and financial instruments are disclosed in Note 27 of these financial statements.

2. Summary of significant accounting policies (continued)

o. Leases

The Company (as a lessee) determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Company has a few contracts that include extension and termination options. The Company considers all relevant factors that create an economic incentive when evaluating whether it plans to renew or terminate a lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that are within its control and affect its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Refer to Note 15 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease period.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments. The Company uses the borrowing rate determined in the agreement to calculate the present value of lease payments. If the borrowing rate is not mentioned, the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the lease payments (e.g., changes to future payments resulting from a change in the rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

How the company estimates the incremental borrowing rate for leases

The Company uses the interest rate implicit in the old vehicle lease but cannot readily determine the interest rate implicit in the office rent and new vehicle lease. Hence, it uses its borrowing rate to measure lease liabilities. The company's borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The rate, therefore, reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The average interest rate for vehicle leases in 2024 is 5.24% (2023: 5.47%), and for office rent 4.5% (2023: 4.5%).

p. Capital adequacy

The Company's capital adequacy is calculated in accordance with Regulation (EU) No 2019/2033 (hereinafter – the IFR) of the European Parliament and of the Council on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 and respective Regulatory Technical Standards (EBA/RTS/2020/11) developed by the European Banking Authority (EBA).

According to the regulation, the Company is categorized as an investment firm other than a small and non-interconnected (Class 2).

The minimum capital requirement is set by the higher of the fixed overhead requirement (FOR), the permanent minimum capital requirement (PMCR), and the K-factor requirement. According to FOR, the Company is required to hold eligible capital equal to at least one-quarter of the fixed overhead of the previous year. PMCR equals the initial capital required for an investment firm, i.e., EUR 750 000. The K-factor requirement amounts to the sum of capital required for risk to the client, market, and firm in accordance with the IFR.
The Company reports the level of its own funds to Latvijas Banka quarterly and annually.

2. Summary of significant accounting policies (continued)

q. Income taxes and deferred taxes

Legal entities are not required to pay income tax on earned profits starting from 1 January 2018 in accordance with amendments made to the Corporate Income Tax Law of the Republic of Latvia. Corporate income tax is paid on distributed profits and deemed profit distributions. Both distributed profits and deemed profit distributions are subject to the tax rate of 20 percent of their gross amount or 20/80 of net expense. Corporate income tax on dividends is recognized in the statement of profit or loss as expense in the reporting period when respective dividends are declared, while as regards other deemed profit items, at the time when the expense is incurred in the reporting year. Corporate income tax from deemed profit distributions is presented as 'Administrative and other general expenses' in the statement of comprehensive income.
No provision for income tax payable on a dividend distribution is recognized before dividends are declared.

r. Subsequent events

Post-year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. No adjusting events are disclosed in the financial statements.

3. Significant estimates and judgements

The preparation of financial statements in accordance with IFRS Accounting Standards requires the management to make estimates and judgements that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur, which causes the judgements used in arriving at the estimates to change. Such estimates and judgements are based on the most reliable information available to the management with respect to specific events and actions. The effect of any changes in estimates will be recorded in the financial statements when determinable.

The significant areas of estimation and judgements in preparation of these financial statements relate to the following areas (the same significant estimates and assumptions judgements as in last year):

- Share-based payments. See Note 26 for more details.
- Useful life of intangible assets. See Note 2e for more details.
- Judgement in relation to not recognizing any clients' funds and financial instruments in the statement of financial position. See Note 2n for more details.
- Impairment of intangible assets. See Note 14 for more details.
- Success fee recognition as a fee return liability. See Note 2j and Note 24 for more details.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2024

Mintos is an authorized investment firm supervised by Latvijas Banka, the central bank of Latvia. This disclosure has been developed in accordance with the requirements of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms.

According to the IFR, the governing regulation for Investment Firms in Europe, the Company is a Class 2 investment firm. As such, since obtaining the license on 17 August 2021, the Company has been required to publicly disclose information regarding the Company's risk management objectives, internal governance arrangements, remuneration policy, own funds, and own funds requirements.

DISCLOSURE ON RISK MANAGEMENT PRACTICES

This disclosure on risk management practices is provided in accordance with the disclosure requirements set out in the IFR.

We at Mintos treat risk management as an integral part of our business operations. We believe that an appropriate risk management process is essential to ensure sustainable business development.

Risk profile

Our business model provides investors convenient means to invest in multiple asset classes, such as loans, bonds, ETFs, and money market funds. Mintos does not invest in financial instruments for trading on its own behalf.

Risk appetite

Risk appetite is the amount of risk we are ready to accept while pursuing our business objectives. We set the risk appetite for each material risk. Where possible, we try to quantify the amount of risk we are ready to take and measure compliance regularly. Risk appetite is set by the Management Board and approved by the Supervisory Board.

Our high-level risk appetite statement

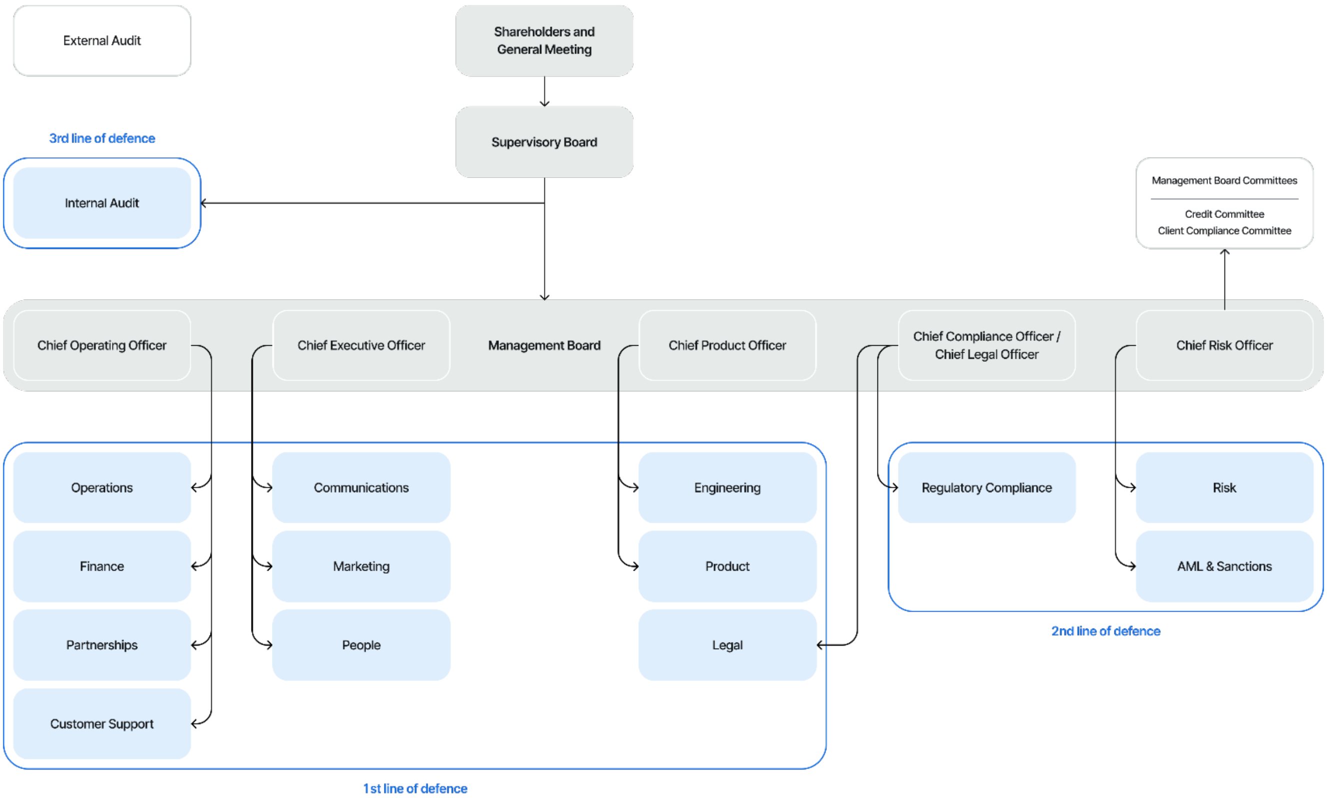
In pursuit of our high-growth business strategy, we are ready to assume business risks such as operational, liquidity, concentration, and other risks while maintaining a high reputation and ensuring compliance with the applicable laws and regulations.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2024 (continued)

Risk governance

The Company has built a risk governance framework in accordance with the three lines of defense model.

Governance structure



The first line of defense includes all business units responsible for risk identification and management. The second line of defense consists of Risk, AML, and Regulatory Compliance units, which report to the Chief Risk Officer or Chief Compliance Officer and are responsible for monitoring and controlling the risks and setting the risk policies across the organization. The third line of defense consists of an independent internal audit, which is currently an outsourced function.

Risk Culture

Mintos' Management Board believes that a strong risk culture is key to ensuring effective risk management. The Management Board facilitates risk awareness across all our teams. We ensure that every team member understands the importance of the applicable risks and how to manage those through relevant training and risk procedures where necessary.

Risk management

During the annual risk assessment, we identify which risks are material to our operations. For each material risk, we create policies that outline how the risk is managed, controlled, and monitored. Risk management policies are approved by the Supervisory Board and updated annually.

Principal risks

These are the risks that we have identified as material for our operations:

Risk description	Risk management
Counterparty and credit risk	
Credit risk is the risk that Mintos might suffer losses due to its partners (counterparties) not fulfilling their financial obligations towards Mintos. The main source of credit risk for Mintos lies with its counterparties – banks and payment service providers holding Mintos' funds and investors' uninvested funds.	Before starting a relationship with a counterparty, we assess the institution's credit risk. We have set limits on the amount of funds that can be held with a counterparty depending on the risk level. We regularly monitor the risk of our counterparties and check compliance with the limits. To decrease the risk, we do not hold all funds with one counterparty but distribute the funds among several counterparties.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2024 (continued)

Principal risks (continued)

Risk description	Risk management
Liquidity risk	
Liquidity risk is the risk that Mintos can't meet its financial obligations. Mintos invests a significant amount into scaling its business. It's important to ensure that Mintos has sufficient funds to sustain the scale-up plan.	We constantly monitor our liquidity and do forecasting to ensure that there is always a sufficient cash buffer to meet all payments.
Reputational risk	
Reputational risk is the risk that Mintos suffers losses due to a damaged reputation. Reputation is a cornerstone for successful operations to every financial institution. Loss of reputation may also lead to slower growth due to fewer investors joining Mintos due to the damaged reputation.	When making strategic decisions, we continuously evaluate the reputational aspect of such decisions. Moreover, before starting a relationship with a new partner or customer, we assess whether the cooperation negatively affects our reputation.
Operational risk	
Operational risk is the risk that Mintos might suffer losses due to process flaws, IT failure, human error, or external fraud. In a rapid growth environment, it's essential to ensure that the processes are adjusted promptly to keep up with the growth.	We assess operational risk to identify processes where the risk is material. We apply risk-mitigating tools to ensure the residual risk is not above our risk appetite.
Compliance risk	
Compliance risk is the risk that Mintos suffers losses due to noncompliance with the applicable regulations. As a licensed investment firm, Mintos must comply with multiple regulations in different areas.	Our risk management process is built to ensure that we run our business in compliance with all applicable regulations. We have dedicated teams that control compliance with internal policies and external regulations.
Interest rate risk	
The risk that Mintos incurs losses or experiences a decrease in income due to potential adverse changes in interest rate in financial markets. The main source of interest rate risk is the partial dependence of income on market interest rates. When interest rates decrease, Mintos' revenue also declines.	When planning our operations and cash flow, we take into account the forecasted changes in interest rates.
Concentration risk	
Concentration risk is the risk of Mintos suffering losses due to excessive concentration of revenue sources. To have a sustainable business, it's important to limit concentration to a single product, customer, or market, the loss of which could significantly impact the financial stability of Mintos.	While pursuing our business strategy, we strive to diversify our revenue sources across multiple geographies and customers to avoid having excessive concentrations that might substantially harm the business in case of negative scenarios.

Mintos is not exposed to concentration risk as defined by the IFR, as it does not hold any trading book positions in financial instruments.

At the end of 2024, the Regulator conducted an audit in the area of AMLTPF and Sanctions compliance and has provided Mintos with initial findings. As of the date of signing this annual report, we have no indication that the Regulator intends to impose any fines in connection with the audit.

Capital and Liquidity adequacy management

The Management Board is responsible for overseeing capital and liquidity management and ensuring compliance with capital and liquidity requirements. The Finance team conducts regular calculations to maintain adherence to these requirements. Additionally, Mintos performs regular Internal Capital Adequacy Assessment (ICAAP) and Liquidity Adequacy Assessment to ensure that its capital and liquidity are sufficient to cover all relevant risks. As part of the budgeting process, Mintos also conducts capital and liquidity adequacy forecasting to ensure ongoing compliance with regulatory requirements in the foreseeable future.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2024 (continued)

Internal governance

The Company operates in accordance with the Articles of Association, the Commercial Law of the Republic of Latvia, and other laws and regulations applicable to investment firms. The structure of the Company is organized as reflected in *AS Mintos Marketplace governance structure* above. AS Mintos Marketplace has the sole shareholder - AS Mintos Holdings, a Supervisory Board, a Management Board, internal and external audit functions, a Client Compliance Committee, and a Credit Committee.

See the Management report's general information section regarding the members of the Supervisory Board and the Management Board.

The Company's management body and each member's number of directorships:

Members of the management body	Non-executive directorships within Group	Executive directorships within the Group	Non-executive directorships outside Group	Executive directorships outside the Group	Total number of directorships within the Group	Total number of directorships outside Group
Janis Abasins	1	0	0	1	1	1
Mikus Janvars	1	0	0	2	1	2
Reinis Viba	1	0	0	1	1	1
Martins Sulte	0	1	2	1	1	3
Martins Valters	0	1	1	2	1	3
Karlis Kronbergs	0	1	0	0	1	0
Inese Lazdovska	0	1	0	1	1	1
Marcis Gogis	0	1	0	0	1	0

Client Compliance Committee is a collegial institution of the Company, which reports to the Management Board and whose purpose is to ensure the evaluation of the Company's Client business transactions and compliance with AML and the sanctions laws and regulations.

Credit Committee is a collegial institution of the Company, which reports to the Management Board and whose purpose is to manage and oversee the decision-making and monitoring process for all credit risk-related actions and processes regarding loans and bonds placed on Mintos platform and the companies which issue those loans or bonds.

Risk Committee – the Company has not set up a separate risk committee; the duties of the risk committee are performed by the Supervisory Board.

Diversity and Inclusion

In line with AS Mintos Marketplace Diversity and Inclusion Policy, the Company is committed to encouraging and promoting equality, fairness, respect, diversity, and inclusion among its employees and management. It is dedicated to preventing and eliminating any discrimination within its environment. The Company is committed to increasing diversity, including management, and developing and engaging managers and leaders to actively champion inclusion and diversity in Mintos, share learnings, and accelerate change. The Company's employees and the management shall be guaranteed the same opportunities when working for the Company, and the Company has zero tolerance for discrimination, harassment, sexual harassment, and bullying.

To promote independent opinions and critical thinking, the Supervisory Board and the Management Board will also be groups of diverse members based on their gender, age, geographical origin, and educational and professional background – with due consideration to local regulations.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2024 (continued)

Remuneration

The Company's Remuneration policy sets the framework for the remuneration system, including all components of remuneration, to ensure that the Company manages remuneration practices in accordance with laws, regulations, and internal rules applicable to its business. The Remuneration Policy aims to promote sound and effective risk management and discourage excessive risk-taking. In accordance with the Remuneration Policy, the Management Board reviews and sets remuneration for employees of the Company. The remuneration of the Management Board is being reviewed and determined by the Supervisory Board. The Remuneration Policy principles establish, among others, the system of calculations of remuneration of the employees who hold positions affecting the company's risk profile and profits, which allows the company to attract highly qualified specialists and, at the same time, reduces risks of financially encouraged risky behaviors of employees.

The main principles of Mintos Remuneration Policy include:

1. Fair and equal approach to all the employees' pay, including those employees whose profile has an impact on the Company's' risk profile, based on responsibilities assigned and capabilities demonstrated.
2. The pay principles are based on a structure of levels and sublevels within each team, which allows the Policy to comply with the gender neutrality principle and avoid the gender pay gap in the Company.
3. Employees whose profile impacts the Company's' risk profile do not have a variable part of remuneration.
4. Alignment of the Remuneration Policy with the Company's strategy, defined objectives, and interests of the shareholder.
5. High competitiveness in line with market practices and remuneration trends.
6. Enhancement of performance in terms of results and adherence to Mintos virtues.
7. Clear governance and compliance with regulatory requirements.
8. Equity participation for all employees to create long-term motivation and value.
9. Attraction and retention of top talent to ensure high performance, continuous growth, and the company's success.
10. The Remuneration policy is reviewed once a year and is subject to approval by the Management Board and the Supervisory Board.

The financial year 2023 AS Mintos Marketplace information on remuneration, broken down by senior management and employees whose actions have a material impact on the Company's risk profile:

Employees that have an impact on the Company's risk profile	Number of employees	The total amount of remuneration awarded in 2024 (EUR), incl. employer's social security contributions
Supervisory Board	3	67 891
Management Board	5	494 392
Other employees that have an impact on the Company's risk profile	7	419 254
Total employees that have an impact on the Company's risk profile	**15**	**981 537**

During the financial year of 2024, the Company had 3 members of the Supervisory Board (2023: 3), 5 members of the Management Board (2023: 5), and 7 other employees that had an impact on the Company's risk profile (2023: 9), in total 15 beneficiaries (2023: 17).

The total amount of remuneration awarded to the Supervisory Board consists of EUR 67 891 (2023: EUR 67 998), including share-based payments amounted to EUR 3 thousand (2023: EUR 3 thousand), the total amount of remuneration awarded to the Management Board of EUR 494 392 (2023: EUR 528 512), including share-based payments amounted to EUR 75 thousand (2023: EUR 23 thousand), the total amount of remuneration awarded to the other employees that have impact on the Company's risk profile is EUR 419 254 (2023: EUR 432 195), including share-based payments amounted to EUR 45 thousand (2023: EUR 6 thousand) (see Note 7).

Fixed remuneration (base salary) is intricately linked to the employee's job description as part of the terms of employment, professional experience, and organizational responsibility, reflected in Mintos Levels and the salary review process. Fixed remuneration is determined annually, reviewed semi-annually, and paid out monthly. The amounts are based on market salary data and Mintos Levels, and the salary review process. In addition, fixed remuneration includes payments that form part of routine employment packages for specific categories of employees, such as mobile phone allowances (documented in company policies). The fixed salary for the Senior Management is decided annually by the Management Board and confirmed by the Supervisory Board.

For some employees who do not have an impact on the Company's risk profile, remuneration during the financial year did have a variable part. These employees are responsible for curating and attracting new lending companies to use the company's services, and their variable remuneration is tied to business results.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2024 (continued)

Remuneration (continued)

Neither the Company's Senior Management nor employees that impact the Company's risk profile have variable remuneration according to the Company's Remuneration Policy.

No severance payments were awarded to the employees that had an impact on the Company's risk profile during the financial year 2024.

The Company does not offer employees a payout in instruments policy and does not have deferred compensation. Mintos does not benefit from a derogation in Article 32(4) of Directive (EU) 2019/2034.

5. Commission and fee income

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of income:	**2024 EUR**	**2023* EUR**
Service fee – lending companies	8 892 407	8 883 365
Net interest income	1 781 983	1 185 104
Bond placement fee**	452 634	73 010
Connection fee	386 852	413 432
Inactivity fee	245 337	329 629
Secondary market fee	152 985	82 646
Foreign currency exchange commissions	143 845	139 637
Other commission fees	33 286	-
TOTAL:	**12 089 329**	**11 106 823**
Geographical markets:		
Europe	10 760 168	9 574 391
America	828 390	898 209
Africa	321 676	588 516
Asia	179 095	45 707
TOTAL:	**12 089 329**	**11 106 823**
Timing of revenue recognition:		
Services transferred over time	11 084 173	10 481 901
Services transferred at a point in time	1 005 156	624 922
TOTAL:	**12 089 329**	**11 106 823**

* Data for 2023 was reclassified to provide comparative information, without affecting prior year results and equity. The bond placement fee was reclassified from "Placement fee" to "Bond placement fee".
** Starting from November 2023, with the launching of Fractional Bonds, the Company charges a bond placement fee to bond issuers.

Income under "Other commission fees" includes new fees generated from the launch of Smart Cash and passive Real estate investing, and Loan portfolios fees.

6. Commission and fee expenses

Commission expenses consist of commissions charged to execute foreign currency conversions.

7. Employee remuneration expenses

	2024 EUR	2023 EUR
Salaries	5 932 821	4 489 183
Social security contributions	1 362 019	1 043 865
Share-based payment expenses (see Note 26)	427 398	121 056
Business risk duty	628	515
	7 722 866	5 654 619
Less: Capitalized development costs	(2 540 322)	(1 508 043)
TOTAL:	**5 182 544**	**4 146 576**

Part of salaries and related taxes have been capitalized to IT development costs (see Note 14). The Company employed 166 employees at the end of the year 2024 (an average of 149 during the year) and 122 employees at the end of the year 2023 (an average of 117 during the year).

At the end of the year 2024, the Management Team consists of 5 Management Board Members (as of 31 December 2023: 5 Management Board Members), an average of 5 during the year (2023: an average of 5 during the year). In 2024, the Management team's salaries and social security contributions amounted to EUR 419 thousand (2023: EUR 506 thousand), while share-based payments amounted to EUR 75 thousand (2023: EUR 23 thousand).

8. Administrative and other general expenses

	2024 EUR	2023 EUR
Compliance expenses	1 564 795	1 576 044
Indirect client acquisition expenses*	1 614 116	696 293
IT expenses	1 364 057	1 129 474
Bank commissions	661 254	430 289
Non-deductible VAT	517 000	384 869
Direct client acquisition costs**	427 495	164 688
Other personnel-related expenses	373 599	333 908
Legal expenses	299 458	291 932
Office expenses	242 690	241 019
Audit and consultation expenses***	156 586	124 775
Office rent and related expenses (Note 15)	102 681	86 808
Business trips	84 189	61 318
Business development expenses	48 213	180 674
Other expenses	61 850	41 168
TOTAL:	**7 517 983**	**5 743 259**

* Increase in indirect client acquisition in 2024 due to the implementation and expansion of various campaigns. The Company intensified efforts to activate investors.
** Direct client acquisition costs consist of expenses related to affiliate, refer-a-friend, and investor bonus programs.
*** EUR 40 425 fees for audit services in 2024 (2023: EUR 35 750).

9. Other income

	2024 EUR	2023 EUR
Penalty income*	373 563	1 528 345
Monitoring fee income	225 713	152 349
Income from provided supporting administrative services to related party	120 672	122 093
Other income	61 168	54 032
TOTAL:	**781 116**	**1 856 819**

* Penalty income is recognized based on contracts for not meeting contractual liabilities. See Note 2j.

10. Other expenses

	2024 EUR	2023 EUR
Expenses to provide supporting administrative services to a related party	93 445	90 057
Currency exchange expenses	25 053	17 850
Penalty expenses	624	733
Net sublease revaluation	-	3 443
Other expenses	7 109	3 301
TOTAL:	**126 231**	**115 384**

11. Interest income

	2024 EUR	2023 EUR
Interest income*	69 116	54 340
Interest income from related parties	1 128	892
TOTAL:	**70 244**	**55 232**

* Interest income includes interest from amortized cost instruments.

12. Interest expenses

	2024 EUR	2023 EUR
Interest expenses from received loan	74 287	-
Interest expenses calculated on leases (Note 15)	19 438	24 612
TOTAL:	**93 725**	**24 612**

13. Corporate income tax

Corporate income tax disclosure:

	2024 EUR	2023 EUR
(Loss)/ income before corporate income tax	(2 094 809)	1 049 733
Theoretical corporate income tax 0%	-	-
Non-deductible expense*	(18 395)	(8 458)
Doubtful debts*	(18 359)	(13 860)
Total corporate income tax:	**(36 754)**	**(22 318)**

* These expenses are recognized under the “Administrative and other general expenses” line in the statement of comprehensive income.

14. Intangible and fixed assets

	Trademarks, domains, licenses EUR	Internal and other software EUR	Intangible assets in progress EUR	TOTAL INTANGIBLE ASSETS EUR	Fixed assets EUR
Year ended 31 December 2023					
Carrying amount as of 1 January	9 769	2 351 866	6 776	**2 368 411**	175 658
Additions	3 091	1 810 546	-	**1 813 637**	150 019
Disposals					(20 531)
Reclassification to other debtors and assets	-	-	-	**-**	(3 273)
Depreciation and amortization	(532)	(1 559 559)	-	**(1 560 091)**	(98 511)
Depreciation of disposals	-	-	-	**-**	16 819
Carrying amount as of 31 December	**12 328**	**2 602 853**	**6 776**	**2 621 957**	**220 181**
As of 31 December 2023					
Cost	18 398	8 169 402	6 776	**8 194 576**	734 904
Accumulated amortization, depreciation, and impairment	(6 070)	(5 566 549)	-	**(5 572 619)**	(514 723)
Carrying amount as of 31 December	**12 328**	**2 602 853**	**6 776**	**2 621 957**	**220 181**
Year ended 31 December 2024					
Carrying amount as of 1 January	12 328	2 602 853	6 776	**2 621 957**	220 181
Additions	-	2 623 486	156 694	**2 780 180**	138 518
Disposals	-	-	(6 776)	**(6 776)**	(57 583)
Reclassification to expenses	(318)	-	-	**(318)**	-
Depreciation and amortization	(732)	(1 774 156)	-	**(1 774 888)**	(125 379)
Depreciation of disposals	-	-	-	**-**	54 133
Carrying amount as of 31 December	**11 278**	**3 452 183**	**156 694**	**3 620 155**	**229 870**
As of 31 December 2024					
Cost	18 080	10 792 888	156 694	**10 967 662**	815 839
Accumulated amortization, depreciation, and impairment	(6 802)	(7 340 705)	-	**(7 347 507)**	(585 969)
Carrying amount as of 31 December	**11 278**	**3 452 183**	**156 694**	**3 620 155**	**229 870**

The internal software is the core technical asset for operating the Mintos platform. Internal software costs included capitalized salary and related taxes in the amount of EUR 2 540 322 during 2024 (EUR 1 508 043 during 2023), see Note 7. In addition, contractors' fees in the amount of EUR 200 026 were capitalized (2023 – EUR 300 092). The costs incurred are recognized as an intangible asset. Following initial recognition of the development expenditure as an asset, the asset is carried at a cost less any accumulated amortization and impairment. The estimated useful life of intangible assets is 3 years.

Some of the IT employees are involved in building a technical solution (Mintos systems), which is the backbone for operating the Mintos platform. The Mintos system is constantly updated to meet both external and internal needs, and it is continuously being developed and not expected to be finalized in the foreseeable future. As the IT department fully develops the system internally, the related payroll and tax payments are capitalized for IT employees involved in its development. The list of capitalized salaries is reviewed every month, and the capitalized amount can vary from 30% to 90%.

Given these aspects and future development projections, the management considers that there is no need to recognize impairment. The intangible assets are expected to enhance the user experience, improve new client acquisition and conversion, and contribute to higher future revenues. The loss incurred during the reporting period primarily reflects continued investment in the Company's strategic growth initiatives rather than an indication of impaired economic value of the intangible assets. Management believes that the expected future benefits from these assets remain intact and will be realized over their useful lives. Based on the current performance indicators, market potential, and forward-looking projections, management has assessed that there is no need to recognize an impairment as of 31 December 2024.

Capitalization costs for systems not being launched yet are shown in the position "Internal software in progress".

15. Lease

The Company has a lease contract for motor vehicles and office rent of premises used in its operations. Leases of motor vehicles have a lease term of 5 years, and office rent term is 10 years with a non-cancellable period of 87 months. Due to the dynamic environment and high growth expectations, management predicts that after January 2026, the Company might need another office. For this reason, management is considering only the non-cancellable period for office rent. The Company's obligations under its leases are secured by the lessor's title to the leased asset. The contract includes extension and termination options, which are further discussed below. The Company applies the 'current lease' recognition exemptions for some leases.

The office premises are partly (6.9% rent area) subleased to a related party (2023: 10.6% rent area).

Recognition and movement of right-of-use assets in 2024 and 2023:

	Motor vehicles EUR	Office rent EUR	Total EUR
As of 1 January 2023	**18 762**	**349 168**	**367 930**
Additions	92 458	-	**92 458**
Termination	(50 046)	-	**(50 046)**
Remeasurement of the lease	(51)	295 610	**295 559**
Write-off because of net investment in sublease	-	(31 409)	**(31 409)**
Depreciation of terminated	47 014	-	**47 014**
Depreciation expenses	(13 498)	(198 471)	**(211 969)**
As of 31 December 2023	**94 639**	**414 898**	**509 537**
As of 1 January 2024	**94 639**	**414 898**	**509 537**
Remeasurement of the lease	(1 270)	2 399	**1 129**
Remeasurement of the sublease	-	7 661	**7 661**
Depreciation expenses	(20 850)	(200 680)	**(221 530)**
As of 31 December 2024	**72 519**	**224 278**	**296 797**

Recognition and movement of lease liabilities (included under interest-bearing loans and borrowings) during the period:

	2024 EUR	2023 EUR
As of 1 January	**512 437**	**379 665**
Additions	-	65 061
End of lease	-	(20 660)
Accretion of interest	19 438	24 612
Remeasurement of the lease	1 128	295 559
Payments	(242 485)	(231 800)
As of 31 December	**290 518**	**512 437**
Current	232 268	222 174
Non-current	58 250	290 263

The following are the amounts recognized in the statement of comprehensive income:

	2024 EUR	2023 EUR
Depreciation expense of right-of-use assets	(221 530)	(211 969)
Interest expense on lease liabilities (Note 12)	(19 438)	(24 612)
Income from sublease remeasurement	3 540	-
Income from termination of vehicle lease	-	17 628
Expenses relating to short-term leases (included in Administrative and other general expenses Note 8)	(2 280)	(1 895)
The total amount recognized in the Statement of Comprehensive Income	**(239 708)**	**(220 848)**

The Company has an office rent lease contract that includes extension and termination options. The management negotiates these options to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. The management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

15. Lease (continued)

Set out below are the undiscounted potential future rental payments as of 31 December 2024 and as of 31 December 2023 relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within 5 years 31.12.2024 EUR	More than 5 years 31.12.2024 EUR	Total 31.12.2024 EUR	Within 5 years 31.12.2023 EUR	More than 5 years 31.12.2023 EUR	Total 31.12.2023 EUR
Cash flows should termination options not be exercised	825 307	-	825 307	652 510	167 788	820 298
TOTAL:	**825 307**	**-**	**825 307**	**652 510**	**167 788**	**820 298**

The Company had total cash outflows for leases of EUR 242 485 in 2024 (2023: EUR 231 800).

16. Trade receivables

	31.12.2024 EUR	31.12.2023 EUR
Unbilled receivables	583 185	532 599
Unbilled receivables from related parties (Note 25)	172 329	232 566
Trade receivables	157 870	230 010
Trade receivables from related parties (Note 25)	102 134	202 566
Receivables from the parent company (Note 25)	2 202	2 322
Impairment allowance (Note 29a)	(73 181)	(134 160)
TOTAL:	**944 539**	**1 065 903**

17. Other debtors and assets

	31.12.2024 EUR	31.12.2023 EUR
Prepaid expenses	394 774	303 533
Security deposits due from related parties (Note 25)	76 309	-
Security deposits	23 516	-
Financial sublease receivable (Note 25)	1 480	23 503
Total other debtors and assets non-current	**496 079**	**327 036**
Prepaid expenses	646 349	518 783
Accrued interest income	126 863	173 989
Financial sublease receivable (Note 25)	18 203	22 734
Current deposit (initial term more than 3 months) in the commercial banks in the Republic of Latvia	-	1 000 000
Security deposit for client cash	-	24 475
Other debtors	73 601	111 248
Other debtors from related parties (Note 25)	9 842	16 759
Impairment allowance for other debtors (Note 29a)	(42 189)	(42 189)
Total other debtors and assets current	**832 669**	**1 825 799**
TOTAL:	**1 328 748**	**2 152 835**

18. Cash and cash equivalents

	31.12.2024 EUR	31.12.2023 EUR
Current investments in highly liquid financial instruments	1 876 000	930 000
Cash at payment institutions	1 020 591	2 269
Current deposit (initial term less than 3 months) in the commercial bank in the Republic of Latvia*	950 000	741 529
Commercial banks in the Republic of Latvia	139 978	68 994
Commercial banks in the Republic of Estonia	13 207	54 213
Commercial banks in the Republic of Poland	3 534	695
Impairment allowance	(1 330)	-
TOTAL:	**4 001 980**	**1 797 700**

Placements with Banks and highly liquid financial instruments, except for the deposit, are on-demand and have a low probability of default and loss; hence, no material ECL arises.

* The deposit is placed in the unrated commercial bank in the Republic of Latvia and is regularly supervised according to internal procedures. It was assessed as a Stage 1 asset, and ECL in the amount of EUR 1 330 (2023: EUR 0).

19. Share capital and other capital reserves

Share capital
As of 31 December 2024 the Company's share capital is EUR 8 150 000 and consists of 8 150 000 shares (31.12.2023: EUR 6 150 000 and 6 150 000 shares), increased by EUR 2 000 000 in August 2024. The par value of each share is EUR 1. All share capital is paid in.

Other capital reserves
For equity-settled share-based payment transactions, IFRS 2 requires entities to recognize an increase in equity when goods or services are received. However, IFRS 2 Share-based Payment does not specify where this should be recognized in equity. The Company has chosen to recognize the credit in other equity reserves. See Note 26 for more information.

The balance of other capital reserves regarding share-based payments was reduced by reserve amount associated with forfeited and/ or exercised employee equity option agreements in the amount of EUR 12 827 (2023: EUR 607 196), which was reallocated from equity reserves to retained earnings.

20. Borrowings

To support customer acquisition the Company has negotiated two loans from Latvian growth capital fund FlyCap Mezzanine Fund II, each for an amount of EUR 1 000 000 and maturities in 2028 and 2029. Both facilities are unsecured and include financial covenants relating to capital, liquidity, and business growth, which the Company is required to comply with throughout the term of the agreements. The Company was in compliance with all such covenants as of 31 December 2024. One of the loans is classified as a Tier 2 capital instrument by fulfilling requirements of Regulation (EU) No 575/2013 of The European Parliament and of The Council of 26 June 2013, including having 5 year initial term and subordination to other liabilities. The borrowings' interest rate structure consists of both fixed and revenue-based components, with some eligible for capitalization into the loan principal. The EIR as of 31 December 2024 are 18.04% and 18.19%, reflecting the impact of fixed interest rates as well as the turnover-based interest mechanism. Set out below the movement table of received borrowings' transactions:

			Received loans EUR	Outgoing interest EUR
Total balance from financing activities as of:		**31.12.2023**	**-**	**-**
	Loans received		2 000 000	-
2024	Fees deducted upfront		(26 000)	-
	Calculated interest		-	63 777
	EIR adjustment		10 510	-
	Paid interest		-	(36 444)
	Capitalized interest		27 333	(27 333)
Total balance from financing activities as of:		**31.12.2024**	**2 011 843**	**-**
	Non-current		1 843 873	-
	Current		167 970	-

21. Trade and other payables

	31.12.2024 EUR	31.12.2023 EUR
Salary payables	381 207	294 791
Trade payables to related parties (Note 25)	280 096	270 848
Trade payables	155 392	419 281
Other payables	14 667	10 153
TOTAL:	**831 362**	**995 073**

22. Taxes and State mandatory social insurance payments

	31.12.2024 EUR	31.12.2023 EUR
Statutory social insurance contributions	189 317	157 279
Personal income tax	106 855	88 404
Value added tax	10 531	68 020
Business risk duty	58	45
TOTAL:	**306 761**	**313 748**

23. Accrued liabilities

	31.12.2024 EUR	31.12.2023 EUR
Accrued expense of unused vacation	375 100	373 998
Accrued expense of received services	243 777	256 845
Accrued expense of received services from related party (Note 25)	1 590	-
Other accrued expenses	-	5 278
TOTAL:	**620 467**	**636 121**

24. Contract liabilities

Contract liabilities consist of a connection fee recognized over 3 years, the Prospectus renewal fee recognized over 1 year, and the Success fee return liability.

	01.01.2023 EUR	Revenue recognized during 2023 EUR	New contract liabilities during 2023* EUR	31.12.2023 EUR	Revenue recognized during 2024 EUR	New contract liabilities during 2024* EUR	31.12.2024 EUR
Contract liabilities	615 237	(411 081)	396 684	600 840	(386 402)	499 911	714 349
Current <12m:	434 427			422 904			497 932
- Including related party	146 263			147 479			47 171
Non-current > 12m:	180 810			177 936			216 417
- Including related party	57 553			56 956			180 339
TOTAL:	**615 237**			**600 840**			**714 349**

* Includes net change of Success fee return liability for 2024 in the amount of EUR 51 011 (2023: EUR 184).

25. Related party disclosures

Related parties are defined as persons that can control the Company by making financial and operating decisions, members of the Management Board of the Company or its parent company, and close members of the families of any individual referred to previously and entities over which these persons exercise control.

During 2024 and 2023, the Company had transactions with entities within Mintos Group (i.e., with the Parent company of Mintos – AS Mintos Holdings and other entities owned by AS Mintos Holdings) and related parties outside Mintos Group.

	Transactions during:		Balances as of:	
	2024	2023*	31.12.2024	31.12.2023
	EUR	EUR	EUR	EUR
Mintos Group companies				
Income				
Income from Parent company	4 404	4 999	-	-
Interest income from companies within the group	1 128	297	-	-
Income from other companies within the group**	2 978 763	3 134 323	-	-
Expenses				
Expenses from other companies within the group	2 436 461	1 679 079	-	-
Assets				
Receivable from Parent company from costs compensation	-	-	-	120
Purchase of assets	204 633	302 475	-	-
Trade receivables from the Parent company	-	-	2 202	2 202
Trade receivables and other debtors from other companies within the group	-	-	360 614	451 891
Financial sublease receivable from other companies within the group	-	-	19 683	46 237
Liabilities				
Trade payables to other companies and contract liabilities within the group	-	-	509 196	475 284
Outside Mintos Group				
Income from other related parties outside the group	-	145	-	-
Expenses from other related parties outside the group	2 608	2 724	-	-
Assets: Right-of-use leased assets from other related parties outside the group	-	-	1 241	3 722
Liabilities: Lease from other related parties outside the group	-	-	1 370	4 019
TOTAL INCOME/ ASSETS:	**3 188 928**	**3 442 239**	**383 740**	**504 172**
TOTAL EXPENSES/ LIABILITIES:	**2 439 069**	**1 681 803**	**510 566**	**479 303**

* Data for 2023 was reclassified to provide comparative information, without affecting prior year results and equity.
** Some investments in loans on Mintos are structured through intermediary companies that are part of the Mintos Group. From a Mintos Marketplace perspective, income related to these investments is considered income from the Mintos Group companies passing through the transactions. From a Mintos Group perspective, this is income earned from third parties.

25. Related party disclosures (continued)

Set out below the movement table of transactions with related parties:

			Issued loans EUR	Incoming interest EUR
Total balance from financing and investing activities as of:		**31.12.2022**	**-**	**-**
2023	Issued		810 000	595
	Received repayment		(810 000)	(595)
Total balance from financing and investing activities as of:		**31.12.2023**	**-**	**-**
2024	Issued		250 000	-
	Received repayment		(250 000)	-
Total balance from financing and investing activities as of:		**31.12.2024**	**-**	**-**

26. Share-based payments

Share option plan

According to the Company's share option plan, share options of the parent are granted to all Company employees who select a compensation package with share options included. Until the end of 2017, the exercise price of the share options was equal to the best guess of the fair value estimate of the underlying shares on the date of the grant. Since the beginning of 2018, the exercise price of the share options is calculated with a discount on the best guess fair value estimate. Vesting of the options depends on the employee remaining in service for the company. The standard vesting period is 4 years, with a 1-year cliff. The options can be exercised within 10 years from the grant date. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

In 2023, the Company introduced an additional share option plan for employees who have worked for the company for two years or more. According to the plan, additional options are offered to each eligible employee once every two years. These options are granted from the existing share option pool. The grant conditions, including the vesting period, are similar to those of the initial stock option grant, except for a higher discount on the exercise price of the share options.

The Company recognized expenses for EUR 427 398 during the reporting year (EUR 121 056 in 2023) in relation to the respective share option plan.

Movement during the year in number and weighted average exercise price (WAEP) of options:

	2024		2023	
	Number	**WAEP**	**Number**	**WAEP**
Outstanding on 1 January	432 373	1.09	370 790	0.88
Granted	88 958	2.71	110 082	1.86
Exercised	-	-	(11 255)	0.90
Forfeited	(10 701)	2.25	(37 244)	0.89
Outstanding on 31 December	510 630	1.37	432 373	1.09
Exercisable on 31 December	356 111	0.96	304 022	0.76

57 212 share options were vested during 2024 (33 701 in 2023). Share-based payments to the Management Board were EUR 75 002 (2023: EUR 22 616).

The range of exercise price is from EUR 0.10 to EUR 3.95. Below is a summary of the range of exercise prices for options outstanding at the end of the year:

	2024		2023	
Range of exercise price	**Number**	**Contractual maturity**	**Number**	**Contractual maturity**
EUR 0.10 to EUR 0.64	167 052	2.29	162 877	3.00
EUR 0.80 to EUR 1.60	175 193	6.07	172 578	7.00
EUR 2.08 to EUR 3.95	168 385	8.40	96 918	9.12

The weighted average remaining contractual life for the share options outstanding was 5.53 years (5.79 years as of 31 December 2023).

26. Share-based payments (continued)

Fair value calculations

The fair value of share options is estimated on the grant date using a Black-Scholes option pricing model. We consider the terms and conditions on which the share options were granted and make estimates on some of the assumptions to adjust for the Black-Scholes model's drawbacks when valuing the American type of options. The inputs used in the model are market-observable whenever possible. Considering the start-up nature of the Company's operations, the management of the Company needs to make certain assumptions. The weighted average fair value of options granted on the measurement date was EUR 9.26 in 2024 (EUR 6.87 in 2023).

The following table lists the key inputs used during 2024 and 2023:

	2024	2023
Weighted average fair value of share price	10.31	7.91
Weighted average exercise price	2.71	1.89
Expected life of share options (years)	4.00	4.00
Expected volatility (%)	75%	70%
Dividend yield (%)	0%	0%
Risk-free interest rate (%)	4.9%	5.6%

The two most significant inputs with the highest sensitivity to the calculations of share option value are the fair value of share price and the expected life of share options. Since 2018, the company's policy has been to provide a strike price set at a discount from the best guess fair value, estimated by applying several valuation techniques. Before that, the strike price was equal to the estimated share price on each grant date. The expected life of share options was initially assumed to be on the end date on which the first option agreements granted (in 2015) could be exercised, considering the environment and how long it took other fintech companies to go public or get sold. However, as the business was impacted by the pandemic-caused downturn of 2020 and a prolonged licensing process, the assumption was changed in 2021 by extending the expected life by 2 years. Then the expected exercise date for options granted was estimated to be around the end of 2027. Now, with additional time needed to business transformation to multi asset investment platform, the expected date has been moved for another year, to end of 2028. Expected volatility is estimated by observing other companies listed in recent periods operating in similar industries. The risk-free interest rate is calculated by looking at markets across the globe where the Company operates. Dividends are expected to yield 0% at the parent level during the calculation period, as all profit is intended to be reinvested to grow the value of Mintos Group further.

27. Client funds and financial instruments

The Company's core activity is to operate an easy-to-use online investment platform, providing long-term investors with a unique mix of alternative and traditional investments.

Clients are investing in financial instruments – loan-backed, rental real estate-backed, and fractional bonds-backed securities called Notes, money market fund units and ETFs.

The Company held and safeguarded the following clients' financial instruments and safeguarded clients' funds in segregated bank accounts as of 31 December 2024 and 31 December 2023:

Assets under management	**31.12.2024 EUR**	**31.12.2023* EUR**
Financial instruments	503 306 446	391 401 089
Cash	41 772 850	52 476 166
TOTAL:	**545 079 296**	**443 877 255**

* Starting from 2024, financial instruments held and safeguarded for clients are presented in aggregate, without a detailed breakdown. This change reflects internal reporting adjustments and ensures alignment with the Company's disclosure approach. Data for 2023 was reclassified to provide comparative information without affecting prior year results and equity. Additionally, the composition of safeguarded cash has been adjusted to reflect refinements in classification.

In accordance with the Financial Instrument Market Law, the Company is obligated to ensure an annual audit of practices of client funds and financial instrument safeguarding. The audit was conducted during the reporting period, and the report was submitted to the regulator. No shortcomings were reported.

27. Client funds and financial instruments (continued)

Before investing in Note, the Company offered investments in loans originated by various alternative lending companies worldwide. New investments directly in loans were discontinued on 30 June 2022. Clients had the following outstanding investments in loans and payments in process related to those investments (direct investments through assignment agreements):

By loan type	31.12.2024 EUR	31.12.2023 EUR
Personal Loans	69 166 224	88 607 327
Short-Term Loans	27 098 479	36 489 443
Car Loans	19 093 908	22 686 930
Business Loans	4 506 740	9 540 167
Mortgage Loans	1 922 225	2 631 010
Agricultural Loans	106 535	419 529
TOTAL:	**121 894 111**	**160 374 406**

28. Fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All financial assets of the Company are measured at amortized cost and designated as such upon initial recognition. The Company assesses that all its financial assets and liabilities have the carrying amount as a reasonable approximation of fair value because of the short-term nature of the accounts receivable and payable and liabilities constituting lease contracts. Therefore, the Company has not disclosed the fair values separately.

Valuation methods and assumptions

The Company uses appropriate valuation techniques in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management assessed that cash, trade receivables, other assets, trade payables, and other current liabilities approximate their carrying amounts primarily due to the current maturities of these instruments. The Company has no net gains or losses of financial instruments to report.

Borrowings are measured at amortized cost using the EIR method, incorporating all contractual terms, including revenue-linked interest components. For borrowings with interest tied to revenue growth, the Management periodically reassesses expected future cash flows. The carrying amount of borrowings may be adjusted over time to reflect updated expectations of future payments. Given recent issuance of the borrowings the fair value is estimated to equal the book value.

29. Risk management

a. Financial risk management

The Company has assessed that its material financial risks arise from liquidity risk. The Company also has exposure to credit risk through the money held in bank accounts and other receivables. Interest rate and foreign exchange risk in the years 2024 and 2023 have been negligible as the Company's exposure to foreign currency changes for all other currencies is not material.

Liquidity risk

The Company is exposed to liquidity risk if it cannot meet its financial liabilities. The Company manages its liquidity risk primarily by maintaining an adequate level of cash and through intercompany borrowing.

The below table discloses undiscounted financial liabilities as of 31 December 2024:

Liabilities	< 3 months EUR	3 – 12 months EUR	1 – 2 years EUR	2 – 5 years EUR	31.12.2024 EUR
Non-current lease	-	-	33 419	28 302	**61 721**
Current lease	60 610	180 457	-	-	**241 067**
Non-current borrowings	-	-	220 094	3 159 665	**3 379 759**
Current borrowings	40 547	142 385	-	-	**182 932**
Trade and other payables	819 191	12 171	-	-	**831 362**
Accrued liabilities	620 467	-	-	-	**620 467**
TOTAL:	**1 540 815**	**335 013**	**253 513**	**3 187 967**	**5 317 308**

The below table discloses undiscounted financial liabilities as of 31 December 2023:

Liabilities	< 3 months EUR	3 – 12 months EUR	1 – 2 years EUR	2 – 5 years EUR	31.12.2023 EUR
Non-current lease	-	-	274 197	29 179	**303 376**
Current lease	60 429	181 288	-	-	**241 717**
Trade and other payables	994 175	898	-	-	**995 073**
Accrued liabilities	636 121	-	-	-	**636 121**
TOTAL:	**1 690 725**	**182 186**	**274 197**	**29 179**	**2 176 287**

The below table discloses discounted financial liabilities as of 31 December 2024:

Liabilities	31.12.2024 EUR
Non-current borrowings	1 843 873
Trade and other payables	831 362
Accrued liabilities	620 467
Current lease	232 268
Current borrowings	167 970
Non-current lease	58 250
TOTAL:	**3 754 190**

The below table discloses discounted financial liabilities as of 31 December 2023:

Liabilities	31.12.2023 EUR
Trade and other payables	995 073
Accrued liabilities	636 121
Non-current lease	290 263
Current lease	222 174
TOTAL:	**2 143 631**

29. Risk management (continued)

a. Financial risk management (continued)

Counterparty and credit risk

Credit risk is when a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities, including balances with the banks, trade receivables, or unbilled receivables for which the invoices have not been issued at the end of the year.

Given the short-term nature of the receivables, the Company is not incorporating forward-looking information into the determination of ECL.

Cash and cash equivalents

The Company holds the cash balances (see Note 18) with commercial banks and payment institutions in Latvia, Estonia, the United Kingdom and Poland and in money market funds that are highly liquid and low-risk financial instruments. Bank balances are maintained with various institutions. Of these, EUR 123 006 (2023: EUR 802 823) is held with banks rated Baa1 or higher by Moody's (using the institution group's rating when a standalone rating is unavailable), while EUR 2 002 974 (2023: EUR 1 064 876) is held with banks that are either unrated or rated below Baa1. Given that significant balances are kept only with European Union banks, the Company believes there is minimal credit risk associated with these balances.

Unbilled receivables and trade receivables

Customer credit risk is managed by the Company's established policy, procedures, and controls relating to customer credit risk management. Outstanding customer receivables and unbilled receivables are regularly monitored. Accrued income for which the bills are not yet issued by the end of the period (see Note 16) is usually withheld directly from the settlements with the Company's clients, limiting credit risk exposure.

Based on the assessment of debtor payment discipline and other qualitative information about their financial standing, an impairment allowance was made in 2024 and 2023. The Company's net trade receivables from the customers, unbilled receivables as of 31 December 2024 was EUR 944 539 (31 December 2023: EUR 1 065 903), including EUR 63 177 (31 December 2023: EUR 90 459) of provisions for doubtful debts and EUR 10 004 (31 December 2023: EUR 43 701) impairment based on Expected credit loss calculation below. As of 31 December 2024, other debtors and assets in the amount of EUR 42 189 (31 December 2023: EUR 42 189) were impaired.

An impairment analysis is performed on the 31 of December 2024 and on the 31 of December 2023 using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome and reasonable and supportable information available on the reporting date about past events and current conditions.

The carrying amounts of receivable represent the maximum credit exposure. Trade receivables for EUR 2 334 were written off during 2024 (2023: EUR 1).

Below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix as of 31 December 2024. There are no trade receivables from debtors in the Russian Federation as of 31 December 2024; hence no credit risk exposure on the Russian geographical market.

		Days past due						
	Fully impaired doubtful debts EUR	**0 days EUR**	**<30 days EUR**	**31-60 days EUR**	**61-90 days EUR**	**>90 days EUR**	**Total EUR**	**Grand total EUR**
Expected credit loss rate	100%	0.14%	1.91%	3.10%	3.51%	7.58%	-	-
Estimated total gross carrying amount at default	63 177	804 988	69 199	302	560	99 291	**974 340**	**1 037 517**
Expected credit loss	63 177	1 127	1 322	9	20	7 526	**10 004**	**73 181**

29. Risk management (continued)

a. Financial risk management (continued)

Below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix as of 31 December 2023. There were no trade receivables from debtors in the Russian Federation as of 31 December 2023; hence no credit risk exposure on the Russian geographical market:

		Days past due						
	Fully impaired doubtful debts EUR	0 days EUR	<30 days EUR	31-60 days EUR	61-90 days EUR	>90 days EUR	Total EUR	Grand total EUR
Expected credit loss rate	100%	0.40%	7.99%	11.31%	11.99%	16.56%	-	-
Estimated total gross carrying amount at default	90 459	795 185	124 413	9 317	10 586	170 628	**1 110 129**	**1 200 588**
Expected credit loss	90 459	3 181	9 941	1 054	1 269	28 256	**43 701**	**134 160**

Movement in the allowance for impairment of trade receivables, other debtors, and assets during the year was as follows:

By impairment allowance type	2024 EUR	2023 EUR
From the Statement of Comprehensive Income:		
Impairment allowance for doubtful debts in trade receivables	(1 079)	-
Impairment allowance for doubtful debts in other debts and assets	-	(2 179)
Impairment allowance for cash and cash equivalents	(1 330)	-
Impairment allowance/ reverse based on expected credit loss calculation	33 697	(7 774)
Impairment reverse in trade receivables	15 317	111
Impairment reverse in other trade receivables	-	31
From the Statement of Comprehensive Income positions that were not included in the Statement of Financial Position:		
Written off trade receivables	(2 368)	(1)
Written off other trade receivables	-	(1 826)
Total impairment reverse/ (losses) in the Statement of Comprehensive Income	**44 237**	**(11 638)**
From the Statement of Financial Position positions that were not included in the Statement of Comprehensive Income:		
Written off trade receivables that were impaired in the previous periods	(13 043)	(75 777)
Loss from fluctuations in currency exchange rates	(1)	1
Total in balance as of 31 December, including:	**116 700**	**176 349**
Impairment allowance in trade receivables, including (Note 16):	73 181	134 160
Trade receivable impairment allowance	63 177	90 459
Impairment based on Expected credit loss calculations	10 004	43 701
Impairment allowance for other debtors (Note 17)	42 189	42 189
Impairment allowance for cash and cash equivalents (Note 18)	1 330	-

b. Capital management

The Company considers its capital to comprise its equity share capital, equity reserves related to share-based payments, accumulated retained results, and subordinated debt classified as a Tier 2 capital instrument. The Company is part of Mintos group, which aims to provide new and innovative financial solutions for its clients. Therefore, the Company's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern in providing its services. The Company is subject to external capital adequacy requirements as disclosed in Other regulatory disclosures. The management of the Company believes that the current level of capital is sufficient for further operations.

30. Events after the balance sheet date

There have been no significant events after the balance sheet date.

Martins Sulte
Chairman of the Management Board

Martins Valters
Member of the Management Board

Karlis Kronbergs
Member of the Management Board

Inese Lazdovska
Member of the Management Board

Marcis Gogis
Member of the Management Board

31 March 2025

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Independent Auditors' Report

To the shareholder of AS "Mintos Marketplace"

Report on the Audit of the Financial Statements

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of AS "Mintos Marketplace" ("the Company") set out on pages 8 to 39 of the accompanying Annual Report, which comprise:

- the statement of financial position as at 31 December 2024,
- the statement of comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AS "Mintos Marketplace" as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code) and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

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

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:

- the Management Report, as set out on pages from 3 to 6 of the accompanying Annual Report,
- the Statement on Management Responsibility, as set out on page 7 of the accompanying Annual Report,
- Other regulatory disclosures, as set out on pages from 44 to 48 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information* section of our report.

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 and in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, 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.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the Bank of Latvia – "Regulations on the Preparation of Annual Reports and Annual Consolidated Annual Reports for Credit Institutions, Investment Brokerage Firms, Investment Management Companies and Private Pension funds' ("Regulation No. 326").

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the Bank of Latvia – "Regulations on the Preparation of Annual Reports and Annual Consolidated Annual Reports for Credit Institutions, Investment Brokerage Firms, Investment Management Companies and Private Pension funds' ("Regulation No. 326").

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of 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.

Auditors' Responsibility 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 auditors' 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 auditors' 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 auditors' 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 a fair presentation.

We 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.

KPMG Baltics SIA

Licence No. 55

Rainers Vilāns
Member of the Board
Latvian Sworn Auditor
Certificate No. 200
Riga, Latvia
31 March 2025

THIS DOCUMENT HAS BEEN SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND IT HAS A TIME-STAMP

Other Regulatory Disclosures

Capital adequacy

To provide transparency to their investors and the broader markets, Article 46 of Regulation (EU) 2019/2033 requires investment firms that do not qualify as small and non-interconnected investment firms to publicly disclose the information specified in Part Six of the Regulation. As of the reporting date, the Company is not classified as a small and non-interconnected investment firm. This Note contains and is a part of mandatory disclosures applicable to the Company in accordance with the Regulation. This section covers disclosures set by Article 49 – Own funds and Article 50 – Own funds requirements.

a. Own funds

The Company's own funds during the reporting period consisted of Common Equity Tier 1 items, including share capital, retained earnings, and deductions of certain intangible assets and subordinated debt classified as Tier 2 capital instrument. The Company's own funds position on 31 December 2024 was EUR 6 390 637 (31 December 2023: EUR 5 275 372).

In accordance with the Commission implementing Regulation (EU) 2021/2284, the Company uses templates to convey sufficiently comprehensive and comparable information on the composition and quality of its own funds. This is achieved by the quantitative disclosure template (EU I CC1.01) on the composition of own funds and a flexible template (EU I CC2) on the reconciliation of regulatory own funds with the audited financial statements. A template (EU I CCA) provides information on the most relevant features of own funds instruments issued by the Company.

Template EU I CC1.01 - Composition of regulatory own funds (Investment firms other than small and non-interconnected)

		(a)	(b)
		Amounts	**Source based on reference numbers/letters of the balance sheet in the audited financial statements**
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	**OWN FUNDS**	6 390 637	
2	**TIER 1 CAPITAL**	5 459 093	
3	**COMMON EQUITY TIER 1 CAPITAL**	5 459 093	
4	Fully paid up capital instruments	8 150 000	1S
5	Share premium		
6	Retained earnings	(3 303 902)	3S
7	Accumulated other comprehensive income		
8	Other reserves	780 967	2S
9	Minority interest given recognition in CET1 capital		
10	Adjustments to CET1 due to prudential filters		
11	Other funds		
12	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(167 972)	
13	(-) Own CET1 instruments		
14	(-) Direct holdings of CET1 instruments		
15	(-) Indirect holdings of CET1 instruments		
16	(-) Synthetic holdings of CET1 instruments		
17	(-) Losses for the current financial year		
18	(-) Goodwill		
19	(-) Other intangible assets	(167 972)	3A,4A
20	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities		
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds		
22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds		
23	(-) CET1 instruments of financial sector entities where the institution does not have a significant investment		

24	(-) CET1 instruments of financial sector entities where the institution has a significant investment		
25	(-)Defined benefit pension fund assets		
26	(-) Other deductions		
27	CET1: Other capital elements, deductions and adjustments		
28	**ADDITIONAL TIER 1 CAPITAL**		
29	Fully paid up, directly issued capital instruments		
30	Share premium		
31	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
32	(-) Own AT1 instruments		
33	(-) Direct holdings of AT1 instruments		
34	(-) Indirect holdings of AT1 instruments		
35	(-) Synthetic holdings of AT1 instruments		
36	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment		
37	(-) AT1 instruments of financial sector entities where the institution has a significant investment		
38	(-) Other deductions		
39	Additional Tier 1: Other capital elements, deductions and adjustments		
40	**TIER 2 CAPITAL**	931 544	
41	Fully paid up, directly issued capital instruments	931 544	
42	Share premium		
43	(-) TOTAL DEDUCTIONS FROM TIER 2		
44	(-) Own T2 instruments		
45	(-) Direct holdings of T2 instruments		
46	(-) Indirect holdings of T2 instruments		
47	(-) Synthetic holdings of T2 instruments		
48	(-) T2 instruments of financial sector entities where the institution does not have a significant investment		
49	(-) T2 instruments of financial sector entities where the institution has a significant investment		
50	Tier 2: Other capital elements, deductions and adjustments		

Deduction of intangible assets based on the prudential accumulated amortization calculated in accordance with the Commission delegated Regulation (EU) 2020/2176. Given the Company's policy on amortization of internally developed software assets within 3 years, essentially only the assets not finished yet and therefore not amortized, and other acquired intangible assets have been deducted.

Template EU I CC2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	c
		Balance sheet as in published/audited financial statements	**Cross-reference to EU IF CC1**
		As of the period end	
Assets - *Breakdown by asset classes according to the balance sheet in the published/audited financial statements*			
1A	Intangible assets	3 620 155	
2A	Internal software	3 452 183	
3A	Internal software in progress	156 694	19
4A	Trademarks, domains, licenses	11 278	19
5A	Fixed assets	229 870	
6A	Right-of-use leased assets	296 797	
7A	Other debtors and assets	1 328 748	
8A	Trade receivables	944 539	
9A	Cash at banks	4 001 980	

10A	**Total Assets**	**10 422 089**	
Liabilities - *Breakdown by liability classes according to the balance sheet in the published/audited financial statements*			
1L	Lease	290 518	
2L	Contract liabilities	714 349	
3L	Trade and other payables	831 362	
4L	Corporate income tax	19 724	
5L	Taxes and State mandatory social insurance payments	306 761	
6L	Accrued liabilities	620 467	
7L	Borrowings	2 011 843	41
8L	**Total Liabilities**	**4 795 024**	
Shareholders' Equity			
1S	Share capital	8 150 000	4
2S	Other capital reserves	780 967	8
3S	Retained losses	(3 303 902)	6
4S	**Total Shareholders' equity**	**5 627 065**	

The Company meets the obligations laid down in Part Six of Regulation (EU) 2019/2033 on an individual basis.

Template EU I CCA: Main features of own instruments issued by the firm

		a	b
		Share capital	*Debt*
1	Issuer	AS Mintos Marketplace	AS Mintos Marketplace
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Public or private placement	Private	Private
4	Governing law(s) of the instrument	Latvian Commercial Law (Komerclikums)	The laws of the Republic of Latvia
5	Instrument type (types to be specified by each jurisdiction)	Ordinary share (akcija)	Debt - Art. 62 CRR
6	Amount recognized in regulatory capital (Currency in millions, as of most recent reporting date)	EUR 8.150	EUR 0.932
7	Nominal amount of instrument (Currency in million)	EUR 8.150 (8 150 000 shares @ EUR 1.00 each)	EUR 1.000
8	Issue price	N/A	100
9	Redemption price	N/A	100
10	Accounting classification	Shareholders' equity	Liability – amortized cost
11	Original date of issuance	Various	28/08/2024
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No Maturity	28/08/2029
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	No
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	N/A	8% p.a. payable quarterly, 6% p.a. payment-in-kind interest, payable or capitalized annually. 0.95% p.a. additional interest on revenue growth
19	Existence of a dividend-stopper	No	No

20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretional	Mandatory
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretional	Mandatory
22	Existence of step up or other incentive to redeem	No	No
23	Noncumulative or cumulative	Noncumulative	Cumulative
24	Convertible or non-convertible	Nonconvertible	Nonconvertible
25	If convertible, conversion trigger(s)	N/A	N/A
26	If convertible, fully or partially	N/A	N/A
27	If convertible, conversion rate	N/A	N/A
28	If convertible, mandatory or optional conversion	N/A	N/A
29	If convertible, specify instrument type convertible into	N/A	N/A
30	If convertible, specify issuer of instrument it converts into	N/A	N/A
31	Write-down features	No	No
32	If write-down, write-down trigger(s)	N/A	N/A
33	If write-down, full or partial	N/A	N/A
34	If write-down, permanent or temporary	N/A	N/A
35	If temporary write-down, description of write-up mechanism	N/A	N/A
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A	N/A

b. Own funds requirement

The Company should have adequate internal capital available in quantity, quality, and distribution to cover the specific risks to which it is or may be exposed. The Management Board is responsible for capital management and capital requirement compliance. During the reporting period, the total capital requirement was set according to the own fund requirements in accordance with Part Three of Regulation (EU) 2019/2033, and the regulator imposed no additional own funds requirement or guidance. There is no additional capital requirement in relation to the Minimum Requirement for own funds and Eligible Liabilities (MREL). During the reporting period, the Company completed a regular Internal capital adequacy assessment process (ICAAP), which is reviewed at least annually. As a result of ICAAP, no additional capital buffers to the own fund's requirements were applied as of the reporting date.

The local regulator, Latvijas Banka, monitors the Company's capital requirements. In accordance with Regulation (EU) No 2019/2033 (IFR) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, the minimum capital requirement is set by the higher of the Fixed overhead requirement (FOR), permanent minimum capital requirement (PMCR), and K- Factor requirement.

Own funds requirement is determined as the highest of the three requirements.

	31.12.2024 EUR	31.12.2023 EUR
Applied own Funds requirement	3 524 075	2 847 197
Permanent minimum capital requirement	750 000	750 000
Fixed overhead requirement	3 524 075	2 847 197
Total K-Factor Requirement	532 521	521 713

In accordance with the regulation, the permanent minimum capital requirement is equal to EUR 750 000.
The FOR shall amount to at least one-quarter of the fixed overheads of the preceding year. According to the audited financial results 2024, the annual fixed overheads amounted to EUR 14 096 300 (2023: EUR 11 388 789), and the FOR was EUR 3 524 075 (2023: EUR 2 847 197).

b. Own funds requirement (continued)

The K-factor requirement is calculated as at least the sum of each K-factor applicable to the Company.
The total K-factor requirement on 31 December 2024 was EUR 532 521 (31.12.2023: EUR 521 713).
K--factor requirement in aggregate form by risk factor categories risk to market (RtM), risk to firm (RtF) and risk to client RtC):

	31.12.2024 EUR	31.12.2023 EUR
Risk to client (RtC)	515 245	505 475
Risk to market (RtM)	17 130	16 146
Risk to firm (RtF)	146	92
Total K-Factor Requirement	532 521	521 713

The Company is required to maintain its own funds above the following thresholds, calculated as own funds over the own fund's requirement:

a) Common equity Tier 1 capital (CET1) ≥56%
b) Common equity Tier 1 capital (CET1) + Additional tier 1 capital AT1 ≥75%
c) Common equity Tier 1 capital (CET1) + Additional tier 1 capital AT1 + Tier 2 capital ≥100%

The own funds of the Company consisted of CET1 and Tier 2 capital, all conditions above were met, the ratio a) and b) was 154.91% on 31 December 2024 (31.12.2023: 185.3%), the ratio c) was 181.34% on 31 December 2024 (31.12.2023: 185.3%).

The Company has fulfilled all its externally imposed capital requirements over the reported period in full.