Joint Stock Company
“Mintos Marketplace”

Unified registration number 40103903643

Report for the year 2023
(9th financial year)

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

Riga, Latvia
2024

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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
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 from 4 August 2023 (registered in the Enterprise Register on 31 August 2023) Marcis Gogis – Member of the Management Board from 4 August 2023 (registered in the Enterprise Register on 31 August 2023)
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 2023
Auditor	Rainers Vilans Latvian Certified Auditor Certificate No. 200 KPMG Baltics SIA Roberta Hirsa iela 1, Riga Latvia, LV-1045 Licence No. 55

Transforming into a multi-asset platform for long-term investing

AS Mintos Marketplace (hereinafter – Mintos or the Company) is a multi-asset platform offering a unique mix of alternative and traditional financial assets. Our platform is designed to be easy to use, and to enable investors from all backgrounds to grow their wealth starting with as little as EUR 50. We're an authorized investment firm under The Markets in Financial Instruments Directive (hereinafter – MiFID II), a European regulation that provides additional layers of protection and transparency for investors. We've also been recognized for our innovation with multiple awards, including AltFi's People's Choice Award and AltFi's Alternative Finance Platform of the Year.

We set out as a platform for investing in loans in 2015 and grew into the market leader in Europe. While investments in loans remained our core business, 2023 marked the transformation into a multi-asset investment platform with the launch of Fractional Bonds and ETFs. In 2024, we aim to further expand our offering with the addition of new asset classes to the platform. This broad offering will enable us to become the one-stop solution for long-term investing as we scale our business to help retail investors across the EU reach their financial goals.

Key events of 2023

Investing in loans remains strong core business

We're by far the largest platform for investing in loans in Europe: Mintos is more than 5x the size of the closest competitors by assets under administration. While we launched new asset classes in 2023, investments in loans still accounted for the majority of our assets under administration. Over the course of the year, investors invested more than EUR 1 189 million, with automated loan portfolios accounting for EUR 954 million (80%) of the investments. On average, investors earned a net return[1] of 11.26% on investments in loans in 2023 (2022: 7.8%).

At the end of 2023, we worked with 54 lending companies from 25 countries (2022: 59 lending companies from 23 countries).

Expanding our investment offering

As Mintos is an authorized investment firm under MiFID II, we can offer many asset classes beyond loans. With the introduction of Fractional Bonds in October and ETFs in December 2023, we successfully transformed Mintos into a multi-asset investment platform. These new additions provide retail investors with easy access to two traditional asset classes, opening up more opportunities for portfolio diversification on Mintos.

With the launch of high-yield Fractional Bonds, we opened up the world of corporate bonds. While historically bond investing had been out of reach for most retail investors due to substantial capital requirements, on Mintos investors can start from as little as EUR 50, with no fees for investing. This makes it accessible and easy for anyone to diversify their portfolio with bonds.

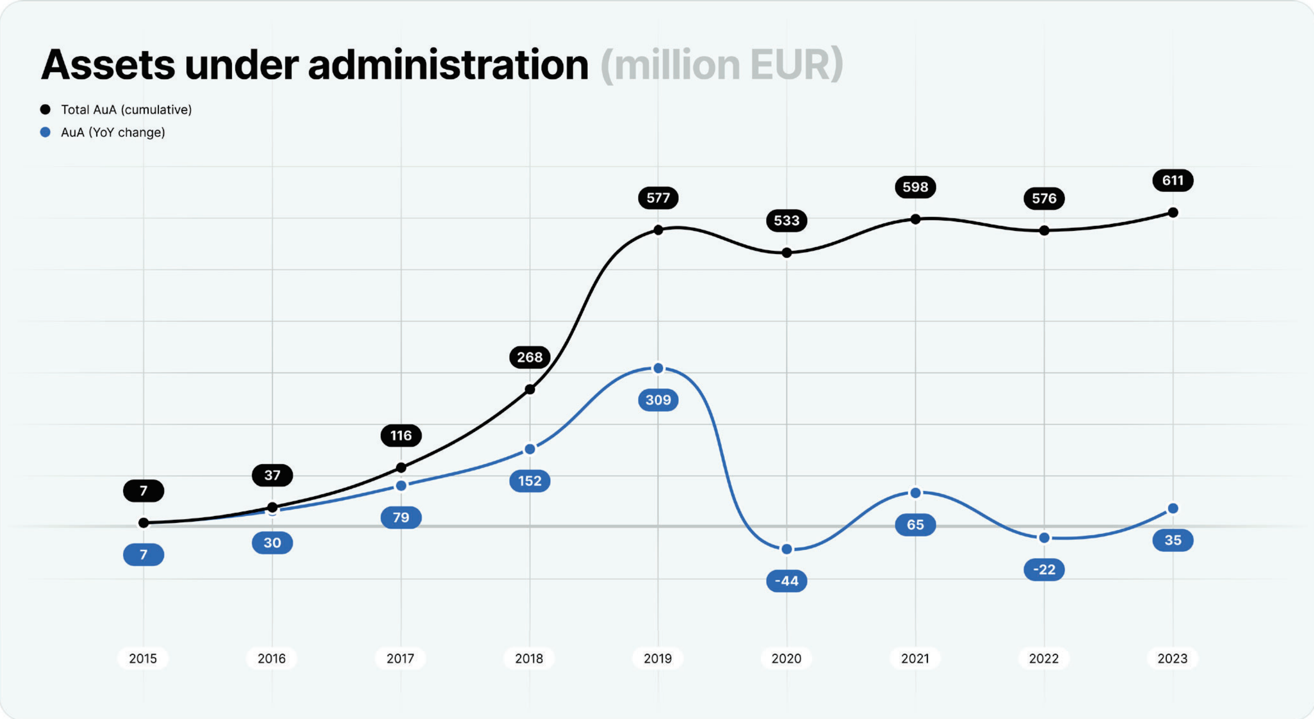
Our ETF offering, Mintos Core ETF, simplifies investing in ETFs and ensures accessibility for every type of investor. The offer consists of a curated selection of ETFs from industry leaders that provide a diversified exposure across various assets, industries, and regions in a single portfolio, starting from just EUR 50. Moreover, the exact portfolio composition is personalized to suit the investor's risk tolerance and objectives. This makes it very easy for investors to build a robust, long-term portfolio that can help them achieve their financial goals.

These new products were received positively by our investors. We'll continue to work on these products in 2024 to improve the user experience, expand the offering, and grow their contribution to the business.

In 2024, we plan to broaden our offering further. We started working on additional asset classes in 2023, which we plan to launch in 2024. This will enable Mintos to offer one of the most extensive collections of asset classes in the market, enabling us to become a one-stop solution for diversified long-term investing.

[1] Net investment return is defined as the total annualized gross return, minus the annualized loss rate. Write-offs have been applied to the loans issued by suspended lending companies based on our recovery estimates.

Our assets under administration stood at EUR 611 million at the end of 2023, a EUR 35 million (6%) increase over 2022.

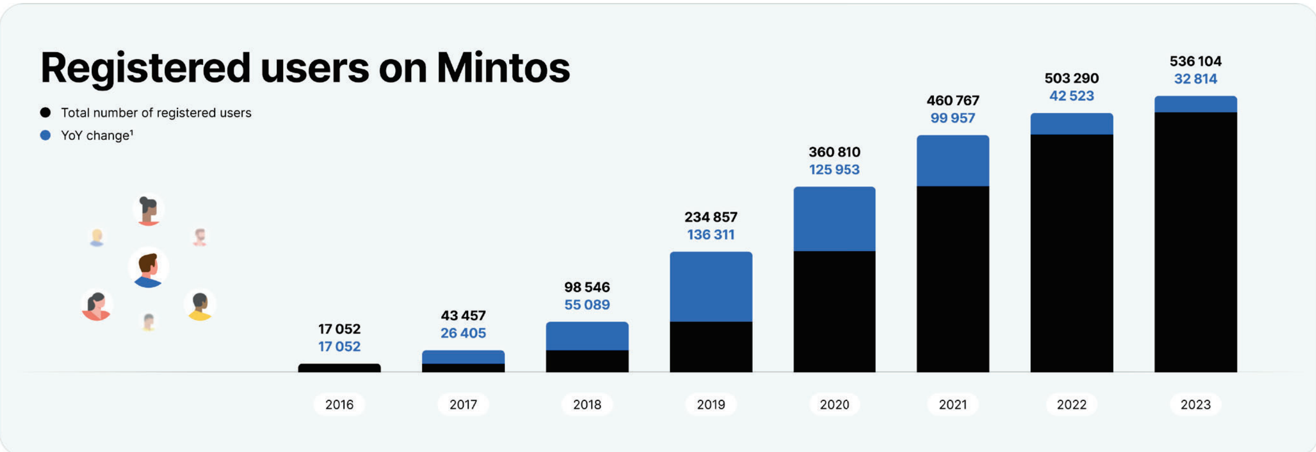


Improving investor satisfaction and growing user base

In previous years, investor sentiment was heavily impacted by two global events – Covid-19 and the Russian Federation invasion of Ukraine. These events impacted some of the lending companies we partnered with, and consequently investors experienced delayed repayments and bad debt, leading to a drop in satisfaction and negative reviews. In 2023, we started several initiatives to improve investor satisfaction: On the one hand, we introduced a revised process for managing overdue payments from lending companies, and finalized two cases with a combined exposure of EUR 17.1 million and a 68% recovery rate. On the other hand, we doubled down on investor communication. These initiatives lead to an uptick in satisfaction.

We saw a moderate but steady growth of our investor base, as our marketing activities were still limited until we finished the regulatory process and we filed with our regulator (Latvijas Banka) notifications on provision of cross-border services for all EU countries (so-called passporting). This will enable us to strengthen our marketing efforts across the EU to accelerate growth. We started working on the official launch in Germany at the end of 2023, with more markets to follow throughout 2024.

Nevertheless, by the end of the year, 36 thousand new investors had joined Mintos (2022: 52 thousand), an average of 3 thousand per month (2022: 4.3 thousand).



[1] New registrations minus closed accounts

Financial results

Our revenue increased by 32% in 2023 compared to the year before. We closed the year with EUR 11.1 million in revenue, up from EUR 8.4 million in 2022.

Our total comprehensive profit in 2023 amounted to EUR 1.050 million, up from EUR 529 thousand in 2022.

The result includes EUR 121 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 profit of EUR 1.171 million compared to a profit of EUR 645 thousand in 2022 (adjustment for share-based payment benefits included).

In 2023, we continued to make significant investments in IT systems with a total investment of EUR 1.810 million, compared to EUR 1.404 million in 2022.

The Management Board proposes to partly cover accumulated losses with year 2023 profit in the amount of EUR 1 049 733.

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 administration, 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. Mintos' management and risk team monitor global developments, assess the potential risks, and evaluate responses where necessary. The management does not consider market risk as 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 privacy regulations 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	

15 March 2024

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 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 2023, 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 Regulation of the Financial and Capital Market Commission on the Preparation of Annual Reports and Consolidated Annual Reports of Banks, Investment Firms, and Investment Management Companies. 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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Member of the Management Board

15 March 2024

Statement of Comprehensive Income

	Notes	2023 EUR	2022 (restated)* EUR
Commission and fee income	5	11 106 823	8 432 954
Commission and fee expenses	6	(57 101)	(116 899)
Net commission income		**11 049 722**	**8 316 055**
Employee remuneration expenses	7	(4 146 576)	(4 007 888)
Depreciation and amortization	14, 15	(1 870 571)	(1 847 658)
Administrative and other general expenses	8	(5 743 259)	(3 946 271)
Other income	9	1 856 819	2 259 039
Other expenses	10	(115 384)	(139 243)
Impairment losses	28a	(11 638)	(53 117)
Interest income	11	55 232	3 327
Interest expenses	12	(24 612)	(55 744)
Income before tax		**1 049 733**	**528 500**
Corporate income tax	13	-	-
Income for the year		**1 049 733**	**528 500**
Other comprehensive income		**-**	**-**
Total comprehensive income		**1 049 733**	**528 500**

* Information regarding the restatement made in the Financial Statements is disclosed in Note 2s.

The accompanying notes on pages 12 to 40 form an integral part of these Financial Statements.

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15 March 2024

Statement of Financial Position

ASSETS	Notes	31.12.2023 EUR	31.12.2022 (restated)* EUR
Non-current assets			
Intangible assets	14	2 621 957	2 368 411
Fixed assets	14	220 181	175 658
Right-of-use leased assets	15	509 537	367 930
Other debtors and assets	17	327 036	148 470
Total non-current assets		**3 678 711**	**3 060 469**
Current assets			
Trade receivables	16	1 065 903	850 467
Other debtors and assets	17	1 825 799	481 630
Cash and cash equivalents	18	1 797 700	1 985 948
Total current assets		**4 689 402**	**3 318 045**
TOTAL ASSETS		**8 368 113**	**6 378 514**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	6 150 000	6 150 000
Other capital reserves	19, 25	366 396	852 536
Accumulated losses		(1 221 920)	(2 878 849)
Total Equity		**5 294 476**	**4 123 687**
Non-current liabilities			
Lease	15	290 263	170 112
Contract liabilities	23	177 936	180 810
Total Non-current liabilities		**468 199**	**350 922**
Current liabilities			
Trade and other payables	20	995 073	597 905
Lease	15	222 174	209 553
Corporate income tax		15 418	434
Taxes and State mandatory social insurance payments	21	313 748	182 741
Accrued liabilities	22	636 121	478 845
Contract liabilities	23	422 904	434 427
Total Current liabilities		**2 605 438**	**1 903 905**
TOTAL EQUITY AND LIABILITIES		**8 368 113**	**6 378 514**

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Statement of Cash Flows

Cash flows to/ from operating activities	Notes	2023 EUR	2022 (restated)* EUR
Profit before tax		1 049 733	528 500
Adjustments for:			
Amortization and depreciation	14, 15	1 870 571	1 847 658
Loss from fluctuations of currency exchange rates	10	17 850	29 390
Other interest and similar income	11	(55 232)	(3 327)
Interest and similar expense	12	24 612	55 744
Share-based payment expense	7	121 056	116 530
Loss/ (gain) on disposal of property, plant and equipment		4 030	(4 813)
(Increase)/ decrease in receivables and other assets		(719 740)	532 761
Increase in payables		668 760	462 396
Cash generated from operations		**2 981 640**	**3 564 839**
Corporate income tax paid		(7 334)	(1 777)
Net cash flows to/ from operating activities		**2 974 306**	**3 563 062**
Cash flows to/ from investing activities			
Purchase of equipment	14	(150 019)	(34 345)
Disposals of equipment		2 955	3 796
Purchase of intangible assets	14	(1 813 637)	(1 404 367)
Deposit	17	(1 000 000)	-
Issued loans	24	(810 000)	-
Received repayment of issued loans	24	810 000	-
Interest received		47 797	-
Net cash flows to investing activities		**(2 912 904)**	**(1 434 916)**
Cash flows to/ from financing activities			
Issued share capital		-	300 000
Payment of lease liabilities	15	(231 800)	(218 169)
Received loans from related parties	24	-	232 969
Repayment of received loans	24	-	(1 473 429)
Interest paid	24	-	(36 722)
Net cash flows to/ from financing activities		**(231 800)**	**(1 195 351)**
Change in cash and cash equivalents		(170 398)	932 795
Net foreign exchange difference		(17 850)	(29 390)
Cash and cash equivalents at the beginning of the year		1 985 948	1 082 543
Cash and cash equivalents at the end of the year	**18**	**1 797 700**	**1 985 948**

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15 March 2024

Statement of Changes in Equity

	Notes	Share capital EUR	Other capital reserves EUR	Retained earnings / (loss) EUR	Total EUR
Balance as of 31 December 2021		**5 850 000**	**736 006**	**(3 407 349)**	**3 178 657**
Income for the reporting year		-	-	528 500	**528 500**
Issue of share capital		300 000	-	-	**300 000**
Share-based payments	25	-	116 530	-	**116 530**
Total comprehensive income		-	-	528 500	**528 500**
Balance as of 31 December 2022 (restated)*		**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	25	-	121 056	-	**121 056**
Total comprehensive income		-	-	1 049 733	**1 049 733**
Balance as of 31 December 2023	**19**	**6 150 000**	**366 396**	**(1 221 920)**	**5 294 476**

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15 March 2024

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

64.19 Other monetary intermediation

66.19 Other activities auxiliary to financial services, except insurance and pension funding

64.99 Other financial service activities, except insurance and pension funding N.E.C.

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 2023 through 31 December 2023 were approved by a resolution of the Company's Board on 15 March 2024. 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 Financial and Capital Market Commission.

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 2023 through 31 December 2023.

The individual financial statements provide comparative information in respect of the previous period. The comparative period is from 1 January 2022 through 31 December 2022.

The chart of accounts corresponds to the requirements laid down by the Financial and Capital Market Commission in the Regulations on the Preparation of Annual Accounts and Annual Consolidated Accounts for Banks, Investment Firms and Investment Management Companies.

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 2023, 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:

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts;
- Definition of Accounting Estimate (Amendments to IAS 8);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes.

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

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

2. Summary of significant accounting policies (continued)

c. Standards issued but not yet effective and not early adopted (continued)

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).
- Lack of Exchangeability (Amendments to IAS 21).

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. In order 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 to hold 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.

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 taking into consideration 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 acquisition costs

The Company incurred various expenditures related to client (investor) acquisitions. Once the expenditure is incurred, the Company assesses if it can reliably measure expected future economic benefits related to the investment made. The future economic benefit arises from commission income that is earned as a direct result of incurred expenditure. If a reliable measure is possible, the smaller of the two – incurred expenditure or future economic benefit – is recognized as deferred client acquisition costs in the statement of financial position. In subsequent periods, the deferred client acquisition costs are recognized as expenses based on the estimated realization of the related economic benefit. If estimates in 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. In cases when a reliable measure cannot be made, the incurred expenditure is expensed directly to profit and loss.

IFRS 15 requires incremental costs of obtaining a contract and certain costs to fulfil a contract to be recognized as an asset if certain criteria are met. Any capitalized contract costs assets are amortized on a systematic base consistent with the Company’s transfer of the services to the customer.

The Company analyses the costs from contracts regarding IFRS 15, and these costs are recognized as the client acquisition costs only if certain criteria are met. Client acquisition costs are incurred to attract and acquire new clients and would not otherwise have occurred.

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.

Cas 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 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 Success fee for amount of long-term Notes financed during the period. Revenue from Service fee is recognized at point in time and is variable amount. Performance obligation is to provide service of using a platform monthly.

Success fee is received from lending companies for completed sale of financial instruments. If Notes financed are repaid before the contractual maturity date, the fee should be returned proportionately. Success fee received is partially recognized at point in time and with the remaining proportion estimated to be returned being recognized as return liability as. 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.

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 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, instead of a connection fee, the Company is charging to lending companies annual prospectus renewal fees 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 arranged sale of bonds for the purpose of issuance of the Fractional Bonds in the month for which the sale occurred.

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 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 in the month for which it was calculated and collected.

The Company recognizes Net interest income fee earned on the value of clients' uninvested funds at a point in time in the month for which it was calculated, and 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).

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.

2. Summary of significant accounting policies (continued)

k. Share-based payments

All employees of the Company who select a remuneration package with employee stock options included 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 25. 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 reassess 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, are emitted by a special purpose entity within the Mintos Group (refer to Note 24 for group information) that acts as the issuer. The Company also offers 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 commission for servicing them, they are not recognized in the statement of financial position. Client funds and financial instruments are disclosed in Note 26 of these financial statements.

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.

2. Summary of significant accounting policies (continued)

o. Leases (continued)

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 2023 is 5.47% (2022: 4%), and for office rent 4.5% (2022: 4.5%).

p. Capital adequacy

The Company’s capital adequacy is calculated in accordance with Regulation (EU) No 2019/2033 (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 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.

s. Restatement of data in comparative indicators

After launching the Notes product, a more significant revenue share comes from the Success fee. Upon review of the Company's accounting principles applicable to revenue recognition for the Success fee and data analysis it was identified that the Company should recognize Success fee partially at point in time and the remaining part as return liability (see Note 2j for more details). As a result, the management has made a decision to correct an error in comparative indicators for 2022 arising from the incorrect application of accounting principles in relation to revenue recognition. As a result of the error correction, "Commission and fee income" in the Statement of Comprehensive Income for 2022 decreased and additional Contract of liabilities were recognized in the Statement of Financial Position as of 31 December 2022. As per management assessment, an impact on earlier periods is not significant given that the Notes product with more prevalent Success fee features was launched only in 2022.

Correction made in the Financial Statements:

Statement of Comprehensive Income:

	Financial Statements 2022 31.12.2022 before restatement, EUR	Correction, EUR	Financial Statements 2023 31.12. 2022 after restatement, EUR
Commission and fee income:	8 803 634	(370 680)	8 432 954
Service fee – lending company	7 818 515	(370 680)	7 447 835
	TOTAL:	**(370 680)**	

Statement of Financial Position - Equity and liabilities:

	Financial Statements 2022 31.12.2022 before restatement, EUR	Correction, EUR	Financial Statements 2023 31.12.2022 after restatement, EUR
Accumulated losses	(2 508 169)	(370 680)	(2 878 849)
Contract liabilities (Non-current)	32 538	148 272	180 810
Contract liabilities (Current)	212 019	222 408	434 427
Total equity and liabilities	**6 378 514**	**-**	**6 378 514**

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 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 25 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 23 for more details.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2023

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 (hereinafter – the IFR).

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 with convenient means to invest in multiple asset classes, such as loans, bonds and ETFs. Mintos does not assume commitments to purchase financial instruments from its counterparties before receiving funds from investors. Also, Mintos does not invest in financial instruments 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

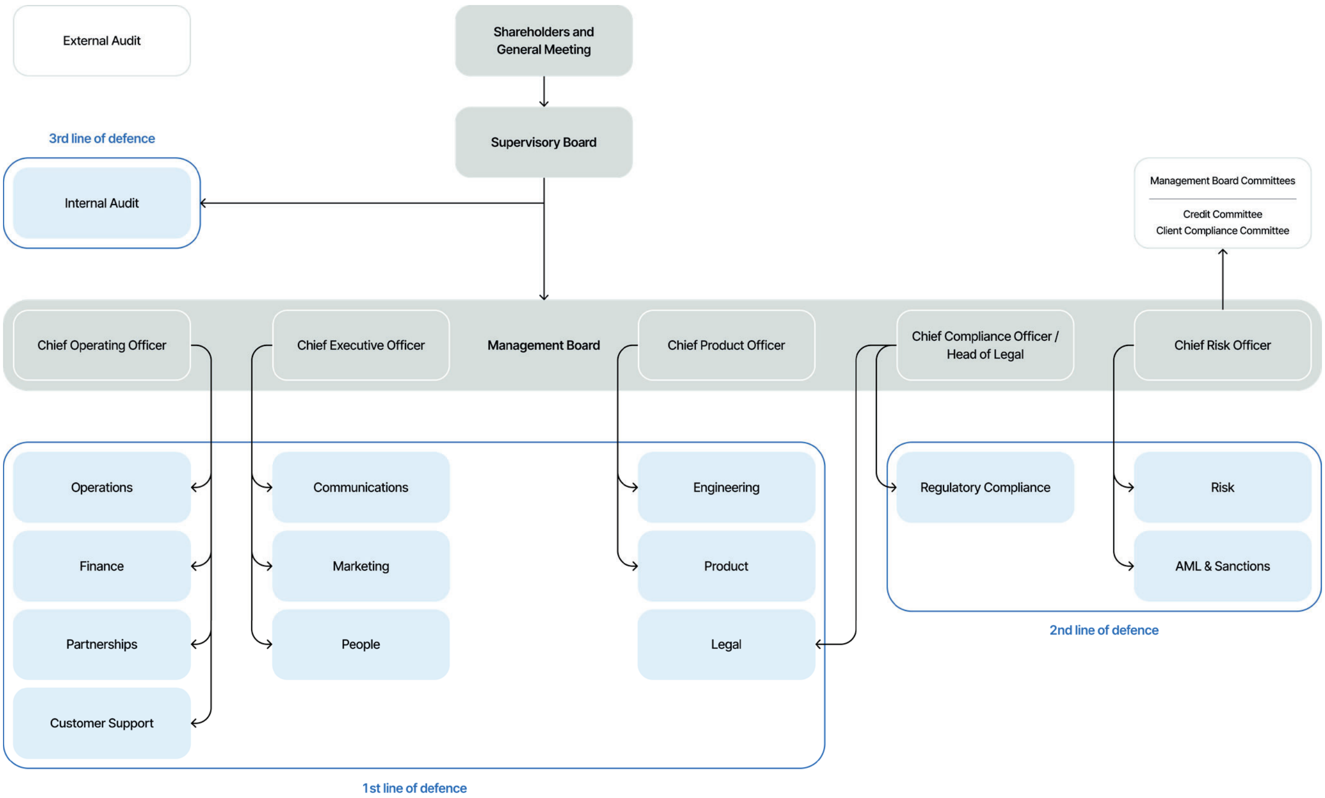
In pursuit of our high-growth business strategy, we are ready to assume business risks such as operational, liquidity, concentration, and other risks while maintaining a high reputation and ensuring compliance with the applicable laws and regulations.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2023 (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.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2023 (continued)

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.
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 might also lead to slower growth than otherwise possible due to fewer investors joining Mintos as a result of 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 affect our reputation.
Operational risk	
Operational risk is the risk that Mintos might suffer losses due to flaws in processes, 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 that 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 several 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.
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 in order to avoid having excessive concentrations that might substantially harm the business in case of negative scenarios.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2023 (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, Supervisory Board, Management Board, internal and external audit functions, Client Compliance Committee, and 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	1	1	1	2
Martins Valters	0	1	1	1	1	2
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 – the 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 – the 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 placed on Mintos platform and the lending companies which issue those loans.

Risk Committee – the Company has not set up a separate risk committee; the duties of the risk committee are being 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 and is dedicated to preventing and eliminating any discrimination within its environment. The Company is committed to increasing diversity, including management, and to 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, educational and professional background – with due considerations to local regulations.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2023 (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 being reviewed once a year, subject to approval by the Management Board and the Supervisory Board.

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 2023 (EUR), incl. employer's social security contributions
Supervisory Board	3	67 998
Management Board	5	528 512
Other employees that have an impact on the Company's risk profile	9	432 195
Total employees that have an impact on the Company's risk profile	17	1 028 705

During the financial year of 2023, the Company had 3 members of the Supervisory Board (2022: 3), 5 members of the Management Board (Management Board and other Management team in 2022: 8), and 9 other employees that had an impact on the Company's risk profile (2022: 6), in total 17 beneficiaries (2022: 17).

The total amount of remuneration awarded to the Supervisory Board consists of EUR 67 998 (2022: EUR 73 947), including share-based payments amounted to EUR 3 thousand (2022: EUR 9 thousand), the total amount of remuneration awarded to the Management Board of EUR 528 512 (Management Board and other Management team in 2022: EUR 658 578), including share-based payments amounted to EUR 23 thousand (2022: EUR 8 thousand), the total amount of remuneration awarded to the other employees that have impact on the Company's risk profile is EUR 432 195 (2022: EUR 310 151), including share-based payments amounted to EUR 6 thousand (2022: EUR 1 577) (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 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.

4. Disclosure on risk management practices and internal governance for the year ended 31 December 2023 (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 2023.

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:

	2023 EUR	2022 (restated)* EUR
Type of income:		
Service fee – lending companies	8 883 365	7 447 835
Net interest income	1 185 104	23 713
Connection fee	413 432	282 424
Inactivity fee	329 629	336 323
Foreign currency exchange commissions	139 637	191 431
Secondary market fee	82 646	151 228
Placement fee	73 010	-
TOTAL:	**11 106 823**	**8 432 954**
Geographical markets:		
Europe	9 574 391	7 267 123
America	898 209	494 975
Africa	588 516	627 542
Asia	45 707	43 314
TOTAL:	**11 106 823**	**8 432 954**
Timing of revenue recognition:		
Services transferred at a point in time	10 693 391	8 150 530
Services transferred over the estimated term of customer relationship	413 432	282 424
TOTAL:	**11 106 823**	**8 432 954**

* Data for 2022 was reclassified to provide comparative information affecting prior year results and equity. Regarding change of Success fee part in Service fee – lending companies see Note 2s for more details in relation to restatement. As Net interest income earned on the value of clients' uninvested funds is ordinary income for the business, it was reclassified from "Other income" to "Commission and fee income".

Starting from November 2023, with the launching of Fractional Bonds, the Company charges a bond placement fee to bonds issuers that is shown under "Placement fee".

6. Commission and fee expenses

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

7. Employee remuneration expenses

	2023 EUR	2022 EUR
Salaries	4 489 183	4 287 129
Social security contributions	1 043 865	967 718
Share-based payment expenses (see Note 25)	121 056	116 530
Business risk duty	515	525
	5 654 619	5 371 902
Less: Capitalized development costs	(1 508 043)	(1 364 014)
TOTAL:	**4 146 576**	**4 007 888**

Part of salaries and related taxes have been capitalized to IT development costs (see Note 14). The Company employed 122 employees at the end of the year 2023 (average 117 during the year) and 111 employees at the end of the year 2022 (average 118 during the year).

At the end of the year 2023, the Management Team consists of 5 Management Board Members (as of 31 December 2022: 3 Management Board Members and 3 Heads of Functions that have significant impact on the operations of the Company), average 4 during the year (2022: average 7 during the year). In 2023 the Management team's salaries and social security contributions amounted to EUR 506 thousand (2022: EUR 651 thousand), while share-based payments amounted to EUR 23 thousand (2022: EUR 8 thousand).

8. Administrative and other general expenses

	2023 EUR	2022* EUR
Compliance expenses**	1 576 044	922 861
IT expenses	1 129 474	1 149 172
Indirect client acquisition expenses	696 293	149 277
Bank commissions	430 289	472 806
Non-deductible VAT	384 869	347 115
Other personnel-related expenses	333 908	169 814
Legal expenses	291 932	310 135
Office expenses	241 019	144 120
Business development expenses	180 674	15 963
Direct client acquisition costs***	164 688	45 270
Audit and consultation expenses****	124 775	107 371
Office rent and related expenses (Note 15)	86 808	75 842
Business trips	61 318	30 753
Other expenses	41 168	5 772
TOTAL:	**5 743 259**	**3 946 271**

* Data for 2022 was reclassified to provide comparative information without affecting prior year results and equity.
** Compliance expenses increased in 2023 because of outsourced AML services received in the amount of EUR 1 093 826, including from the related party for EUR 989 947 (2022: EUR 526 470).
*** Direct client acquisition costs consist of expenses related to affiliate, refer-a-friend, and investor bonus programs.
**** EUR 35 750 fees for audit services in 2023 (2022: EUR 33 475).

9. Other income

	2023 EUR	2022* EUR
Penalty income**	1 528 345	2 113 150
Monitoring fee income	152 349	11 606
Income from provided supporting administrative services to related party	122 093	95 173
Other income	54 032	39 110
TOTAL:	**1 856 819**	**2 259 039**

* Data for 2022 was reclassified to provide comparative information, without affecting prior year results and equity. As Net interest income earned on the value of clients' uninvested funds is ordinary income for the business, it was reclassified from "Other income" to "Commission and fee income".
** Penalty income is recognized based on contracts for not meeting contractual liabilities. See Note 2j.

10. Other expenses

	2023 EUR	2022 EUR
Expenses to provide supporting administrative services to a related party	90 057	76 821
Currency exchange expenses	17 850	29 390
Net sublease revaluation	3 443	18 073
Penalty expenses	733	14 304
Other expenses	3 301	655
TOTAL:	**115 384**	**139 243**

11. Interest income

	2023 EUR	2022 EUR
Interest income*	54 340	1 776
Interest income from related parties (Note 24)	892	1 551
TOTAL:	**55 232**	**3 327**

* Interest income includes interest from amortized cost instruments.

12. Interest expenses

	2023 EUR	2022 EUR
Interest expenses calculated on leases (Note 15)	24 612	19 022
Interest expenses from received loan (Note 24)	-	36 722
TOTAL:	**24 612**	**55 744**

13. Corporate income tax

Corporate income tax disclosure:

	2023 EUR	2022 (restated) EUR
Income before corporate income tax	1 049 733	528 500
Theoretical corporate income tax 0%	-	-
Non-deductible expense*	(8 458)	(2 171)
Doubtful debts*	(13 860)	-
Corporate income tax charge for the reporting year	-	-
Change in unrecognized tax loss	-	-
Total corporate income tax	**(22 318)**	**(2 171)**

* 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 software EUR	Internal software in progress EUR	TOTAL INTANGIBLE ASSETS EUR	Fixed assets EUR
Year ended 31 December 2022					
Carrying amount as of 1 January	9 964	2 463 562	6 776	**2 480 302**	272 984
Additions	-	1 404 367	-	**1 404 367**	34 345
Disposals	-	-	-	**-**	(79 109)
Depreciation and amortization	(195)	(1 516 063)	-	**(1 516 258)**	(120 256)
Depreciation of disposals	-	-	-	**-**	67 694
Carrying amount as of 31 December	**9 769**	**2 351 866**	**6 776**	**2 368 411**	**175 658**
As of 31 December 2022					
Cost	15 307	6 358 856	6 776	**6 380 939**	608 689
Accumulated amortization, depreciation, and impairment	(5 538)	(4 006 990)	-	**(4 012 528)**	(433 031)
Carrying amount as of 31 December	**9 769**	**2 351 866**	**6 776**	**2 368 411**	**175 658**
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**

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 1 508 043 during 2023 (EUR 1 364 014 during 2022); see Note 7. In addition, contractors' fees in the amount of EUR 300 092 were capitalized (2022 – EUR 17 402). The costs incurred are recognized as an intangible asset. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and impairment. During the reporting period, a new IT system to enable a new product offering to clients was acquired from a related party with initial costs of EUR 219 040, from which EUR 155 357 were capitalized. 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 the system's development. The list of capitalized salaries is reviewed every month, and the capitalized amount can vary from 10% to 90%.

Given these aspects and future development projections, the management considers that there is no need to recognize impairment.

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 of 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 (10.6% rent area) subleased to a related party.

Recognition and movement of right-of-use assets in 2023 and 2022:

	Motor vehicles EUR	Office rent EUR	Total EUR
As of 1 January 2022	**31 171**	**473 811**	**504 982**
Remeasurement of the lease	77	74 015	**74 092**
Depreciation expenses	(12 486)	(198 658)	**(211 144)**
As of 31 December 2022	**18 762**	**349 168**	**367 930**
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**

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

	2023 EUR	2022 EUR
As of 1 January	**379 665**	**504 720**
Additions	65 061	-
End of lease	(20 660)	-
Accretion of interest	24 612	19 022
Remeasurement of the lease	295 559	74 092
Payments	(231 800)	(218 169)
As of 31 December	**512 437**	**379 665**
Current	222 174	209 553
Non-current	290 263	170 112

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

	2023 EUR	2022 EUR
Depreciation expense of right-of-use assets	(211 969)	(211 144)
Interest expense on lease liabilities (Note 12)	(24 612)	(19 022)
Income from termination of vehicle lease	17 628	-
Expenses relating to short-term leases (included in Administrative and other general expenses Note 8)	(1 895)	(854)
The total amount recognized in the Statement of Comprehensive Income	**(220 848)**	**(231 020)**

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 2023 and as of 31 December 2022 relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within 5 years 31.12.2023 EUR	More than 5 years 31.12.2023 EUR	Total 31.12.2023 EUR	Within 5 years 31.12.2022 EUR	More than 5 years 31.12.2022 EUR	Total 31.12.2022 EUR
Cash flows should termination options not be exercised	652 510	167 788	820 298	704 392	361 075	1 065 467
TOTAL:	**652 510**	**167 788**	**820 298**	**704 392**	**361 075**	**1 065 467**

The Company had total cash outflows for leases of EUR 231 800 in 2023 (2022: EUR 218 169).

16. Trade receivables

	31.12.2023 EUR	31.12.2022 EUR
Unbilled receivables	532 599	451 118
Trade receivables from related parties (Note 24)	202 566	201 024
Unbilled receivables from related parties (Note 24)	232 566	200 748
Trade receivables	230 010	199 850
Receivables from the parent company (Note 24)	2 322	-
Impairment allowance (Note 28a)	(134 160)	(202 273)
TOTAL:	**1 065 903**	**850 467**

17. Other debtors and assets

	31.12.2023 EUR	31.12.2022* EUR
Prepaid expenses	303 533	132 365
Financial sublease receivable (Note 24)	23 503	16 105
Total other debtors and assets non-current	**327 036**	**148 470**
Current deposit (initial term more than 3 months) in the commercial banks in the Republic of Latvia**	1 000 000	-
Prepaid expenses	518 783	218 585
Accrued interest income	173 989	12 431
Security deposit for client cash***	24 475	132 689
Financial sublease receivable (Note 24)	22 734	11 613
Security deposits	-	88 595
Other debtors	111 248	57 647
Other debtors from related parties (Note 24)	16 759	111
Impairment allowance for other debtors (Note 28a)	(42 189)	(40 041)
Total other debtors and assets current	**1 825 799**	**481 630**
TOTAL:	**2 152 835**	**630 100**

* Data for 2022 was reclassified to provide comparative information without affecting prior year results and equity.

** The deposit is placed in the unrated commercial bank in the Republic of Latvia and is regularly assessed according to internal procedures. It was assessed as a Stage 1 asset and ECL is immaterial.

*** Security deposit to ensure the safeguarding of client funds in other currencies in accordance with Financial instrument Market Law requirements.

18. Cash and cash equivalents

	31.12.2023 EUR	31.12.2022 EUR
Current investments in highly liquid financial instruments	930 000	-
Current deposit (initial term less than 3 months) in the commercial bank in the Republic of Latvia	741 529	1 000 000
Commercial banks in the Republic of Latvia	68 994	839 732
Commercial banks in the Republic of Estonia	54 213	127 579
Cash at payment institution	2 269	-
Commercial banks in the Republic of Poland	695	18 637
TOTAL:	**1 797 700**	**1 985 948**

These financial assets are not impaired as of 31 December 2023 (31.12.2022: EUR 0). 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 on placements with Banks or those instruments arises.

19. Share capital and other capital reserves

Share capital

The Company's share capital is EUR 6 150 000 and consists of 6 150 000 shares (31.12.2022: EUR 6 150 000 and 6 150 000 shares). 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 25 for more information.

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

20. Trade and other payables

	31.12.2023 EUR	31.12.2022 EUR
Trade payables	419 281	326 496
Salary payables	294 791	220 766
Trade payables to related parties (Note 24)	270 848	40 983
Other payables	10 153	9 660
TOTAL:	**995 073**	**597 905**

21. Taxes and State mandatory social insurance payments

	31.12.2023 EUR	31.12.2022 EUR
Statutory social insurance contributions	157 279	106 607
Personal income tax	88 404	58 447
Value added tax	68 020	17 646
Business risk duty	45	41
TOTAL:	**313 748**	**182 741**

22. Accrued liabilities

	31.12.2023 EUR	31.12.2022 EUR
Accrued expense of unused vacation	373 998	314 887
Accrued expense of received services	256 845	129 994
Other accrued expenses	5 278	33 964
TOTAL:	**636 121**	**478 845**

23. Contract liabilities

Contract liabilities consist of a connection fee recognized over 3 years, a prospectus renewal fee recognized over 1 year, and success fee return liability.

	01.01.2022 EUR	Revenue recognized during 2022 EUR	New contract liabilities during 2022* EUR	31.12.2022 (restated) EUR	Revenue recognized during 2023 EUR	New contract liabilities during 2023** EUR	31.12.2023 EUR
Contract liabilities	174 731	(282 424)	722 930	615 237	(411 081)	396 684	600 840
Current <12m:	103 704			434 427			422 904
- Including related party	28 802			146 263			147 479
Non-current > 12m:	71 027			180 810			177 936
- Including related party	22 710			57 553			56 956
TOTAL:	**174 731**			**615 237**			**600 840**

* As the Company decided to recognize the Success fee partly as a fee return liability applying an assumption regarding proportion, the effect of this an assumption resulted in Success fee return liability additions in 2022 in the amount of EUR 370 680. See Note 2j and 2s for more details.
** Includes net change of Success fee return liability for the year 2023 in the amount of EUR 184.

24. 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.

24. Related party disclosures (continued)

During 2023 and 2022, 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:	
	2023	2022*	31.12.2023	31.12.2022*
	EUR	EUR	EUR	EUR
Mintos Group companies				
Income				
Income from Parent company	4 999	2 844	-	-
Interest income from companies within the group	297	1 551	-	-
Income from other companies within the group**	3 134 323	3 297 232	-	-
Expenses				
Interest expenses from the Parent company	-	36 722	-	-
Expenses from the Parent company	-	480	-	-
Expenses from other companies within the group	1 681 803	626 031	-	-
Assets				
Receivable from Parent company from costs compensation	-	-	120	-
Purchase of assets	302 475	4 555	-	-
Trade receivables from the Parent company	-	-	2 202	-
Trade receivables and other debtors from other companies within the group	-	-	451 891	401 883
Financial sublease receivable from other companies within the group	-	-	46 237	27 718
Liabilities				
Trade payables to other companies and contract liabilities within the group	-	-	475 284	244 799
Outside Mintos Group				
Income from other related parties outside the group	145	1 729	-	-
Expenses from other related parties outside the group	-	2 836	-	-
Assets: Right-of-use leased assets from other related parties outside the group	-	-	3 722	6 204
Liabilities: Lease from other related parties outside the group	-	-	4 019	6 552
TOTAL INCOME/ ASSETS:	**3 442 239**	**3 307 911**	**504 172**	**435 805**
TOTAL EXPENSES/ LIABILITIES:	**1 681 803**	**666 069**	**479 303**	**251 351**

* Information regarding the restatement made in the Financial Statements is disclosed in Note 2s.

** 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.

24. Related party disclosures (continued)

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

			Issued loans EUR	Received loans EUR	Incoming interest EUR	Outgoing interest EUR
Total balance from financing and investing activities as of:		**31.12.2021**	**-**	**1 240 460**	**-**	**-**
2022	Received		-	232 969	-	36 722
	Repaid		-	(1 473 429)	-	(36 722)
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**	**-**	**-**	**-**	**-**

25. 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 is dependent 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 121 056 during the reporting year (EUR 116 530 in 2022) in relation to the respective share option plan.

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

	2023		2022	
	Number	WAEP	Number	WAEP
Outstanding on 1 January	370 790	0.88	619 029	0.53
Granted	110 082	1.86	29 304	2.46
Exercised	(11 255)	0.90	(87 160)	0.50
Forfeited	(37 244)	0.89	(190 383)	0.76
Outstanding on 31 December	432 373	1.09	370 790	0.88
Exercisable on 31 December	304 022	0.76	307 941	0.61

33 701 share options were vested during 2023 (46 344 in 2022). Share-based payments to the Management Board were EUR 22 616 (2022: EUR 7 653).

The range of exercise price is from EUR 0.10 to EUR 2.72. Below is a summary of the range of exercise prices for options outstanding at the end of the year:

	2023		2022	
Range of exercise price	**Number**	**Contractual maturity**	**Number**	**Contractual maturity**
EUR 0.10 to EUR 0.64	162 877	3.00	182 565	4.02
EUR 0.80 to EUR 1.60	172 578	7.00	119 523	6.08
EUR 2.08 to EUR 2.72	96 918	9.12	68 702	8.95

The weighted average remaining contractual life for the share options outstanding was 5.79 years (5.13 years as of 31 December 2022).

25. 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 6.87 (EUR 4.96 in 2022).

The following table lists the key inputs used during 2023 and 2022:

	2023	2022
Weighted average fair value of share price	7.91	5.48
Weighted average exercise price	1.89	2.46
Expected life of share options (years)	4.00	5
Expected volatility (%)	70%	95%
Dividend yield (%)	0%	0%
Risk-free interest rate (%)	5.6%	4.4%

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. The new expected exercise date for options granted is estimated to be around the end of 2027. Expected volatility is estimated by observing other companies listed in recent periods operating in similar industries. While the risk-free interest rate is calculated by looking at markets across the globe where the Company plans to operate. 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.

26. 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 securities and fractional bonds called Notes, and ETFs.

The Company held and safeguarded the following clients' financial instruments, and safeguarded clients' funds in segregated bank accounts as of 31 December 2023 and 31 December 2022:

Assets under administration	31.12.2023 EUR	31.12.2022* EUR
Notes	390 355 617	199 113 641
Cash	51 555 092	48 759 152
ETF	1 045 472	-
TOTAL:	**442 956 181**	**247 872 793**

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.

* Data for 2022 was reclassified to provide comparative information without affecting prior year results and equity.

26. Client funds and financial instruments (continued)

Before investing in Notes and ETFs, the Company offered investments in loans originated by various alternative lending companies around the world. 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		31.12.2023 EUR	31.12.2022 EUR
Personal Loans		88 607 327	192 679 992
Short-Term Loans		36 489 443	53 822 223
Car Loans		22 686 930	51 377 003
Business Loans		9 540 167	15 489 556
Mortgage Loans		2 631 010	4 030 072
Agricultural Loans		419 529	1 441 630
Pawn broking Loans		-	273 682
Invoice Financing		-	2 584
	TOTAL:	**160 374 406**	**319 116 742**

27. 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.

28. Risk management

a. Financial risks 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 2023 and 2022 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 in case 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 2023:

Liabilities	< 3 months EUR	3 – 12 months EUR	1 – 2 years EUR	2 – 5 years EUR	31.12.2023 EUR
Lease non-current	-	-	274 197	29 179	**303 376**
Lease current	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 undiscounted financial liabilities as of 31 December 2022:

Liabilities	< 3 months EUR	3 – 12 months EUR	1 – 2 years EUR	2 – 5 years EUR	31.12.2022 EUR
Lease non-current	-	-	152 428	1 388	**153 816**
Lease current	55 635	166 912	-	-	**222 547**
Trade and other payables	597 905	-	-	-	**597 905**
Accrued liabilities	143 358	335 487	-	-	**478 845**
TOTAL:	**796 898**	**502 399**	**152 428**	**1 388**	**1 453 113**

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
Lease non-current	290 263
Lease current	222 174
TOTAL:	**2 143 631**

The below table discloses discounted financial liabilities as of 31 December 2022:

Liabilities	31.12.2022 EUR
Trade and other payables	597 905
Accrued liabilities	478 845
Lease non-current	170 112
Lease current	209 553
TOTAL:	**1 456 415**

28. Risk management (continued)

a. Financial risks 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. Balances with the banks are held with several banks, including balances held with institutions with credit ratings equal or above Baa1 (by Moody's, institution group's rating is applied if no rating is issued for standalone counterparty) of EUR 802 823 (2022: EUR 1 929 020) and institutions with no ratings issued of EUR 1 064 876 (2022: EUR 56 928). Given that significant balances are kept only with European Union banks, the Company believes that there is very 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 2023 and 2022. The Company's net trade receivables from the customers, unbilled receivables as of 31 December 2023 was EUR 1 065 903 (31 December 2022: EUR 850 467), including EUR 90 459 (31 December 2022: EUR 166 346) of provisions for doubtful debts and EUR 43 701 (2022: EUR 35 927) impairment based on Expected credit loss calculation below. As of 31 December 2023, other debtors and assets in the amount of EUR 42 189 (31 December 2022: EUR 40 041) were impaired.

An impairment analysis is performed on the 31 of December 2023 and on the 31 of December 2022 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 1 were written off during 2023 (2022: EUR 35).

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 are 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**

28. Risk management (continued)

a. Financial risks 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 2022. There were no trade receivables from debtors in the Russian Federation as of 31 December 2022, hence no credit risk exposure on the Russian geographical market:

	Fully impaired doubtful debts EUR	Days past due: 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%	0.36%	5.08%	8.42%	8.74%	18.38%	-	-
Estimated total gross carrying amount at default	166 346	662 263	41 803	3 446	18 149	160 734	**886 395**	**1 052 741**
Expected credit loss	166 346	2 384	2 124	290	1 586	29 543	**35 927**	**202 273**

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

By impairment allowance type	2023 EUR	2022 EUR
From the Statement of Comprehensive Income:		
Impairment allowance for doubtful debts in trade receivables	-	60 372
Impairment allowance for doubtful debts in other debts and assets	2 179	1 618
Impairment allowance based on expected credit loss calculation	7 774	(8 760)
Impairment reverse in trade receivables	(111)	(148)
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	1	35
Written off other trade receivables	1 826	-
Total impairment losses in the Statement of Comprehensive Income	**11 638**	**53 117**
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	(75 777)	-
Loss from fluctuations of currency exchange rates	1	-
Total in balance as of 31 December, including:	**176 349**	**242 314**
Impairment allowance in trade receivables, including (Note 16):	134 160	202 273
Trade receivable impairment allowance	90 459	166 346
Impairment based on Expected credit loss calculations	43 701	35 927
Impairment allowance for other debtors (Note 17)	42 189	40 041

b. Capital management

The Company considers its capital to comprise its equity share capital, equity reserves related to share-based payments, and accumulated retained results. 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.

29. 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	

15 March 2024

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Independent Auditors' Report

To the shareholders 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 40 of the accompanying Annual Report, which comprise:

- the statement of financial position as at 31 December 2023,
- 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 2023, 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.

Emphasis of Matter – Comparative Information

We draw attention to Note 2s to the financial statements, which describes that errors have been identified in the comparative information in relation to recognised Service fee and Contract liabilities. As a result, the comparative information presented as at and for the year ended 31 December 2022 and balances as at 31 December 2022 have been restated. Our opinion is not modified in respect of this matter.

Other Matter Relating to Comparative Information

As part of our audit of the financial statements as at and for the year ended 31 December 2023, we also audited the adjustments to the comparative information for the year ended 31 December 2022, as described in Note 2s to the financial statements. In our opinion, the adjustments described in Note 2s to the financial statements are appropriate and have been properly applied.

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 45 to 49 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 Financial and Capital Market Commission of the Republic of Latvia – Regulation No. 113 'Regulation on the preparation of annual reports and consolidated annual reports of credit institutions, investment broker companies and investment management companies'.

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 Financial and Capital Market Commission of the Republic of Latvia – Regulation No. 113

'Regulation on the preparation of annual reports and consolidated annual reports of credit institutions, investment broker companies and investment management companies'.

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
15 March 2024

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 only Common Equity Tier 1 items, including share capital, retained earnings, and deductions of certain intangible assets. The Company's own funds position on 31 December 2023 was EUR 5 275 372 (31 December 2022: EUR 4 107 141*).

* Information regarding the restatement made in the Financial Statements is disclosed in Note 2s.

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**	5 275 372	
2	**TIER 1 CAPITAL**	5 275 372	
3	**COMMON EQUITY TIER 1 CAPITAL**	5 275 372	
4	Fully paid up capital instruments	6 150 000	1S
5	Share premium		
6	Retained earnings	(1 221 920)	3S
7	Accumulated other comprehensive income		
8	Other reserves	366 396	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	(19 104)	
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	(19 104)	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**		
41	Fully paid up, directly issued capital instruments		
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	2 621 957	
2A	Internal software	2 602 853	
3A	Internal software in progress	6 776	19
4A	Trademarks, domains, licenses	12 328	19
5A	Fixed assets	220 181	

6A	Right-of-use leased assets	509 537	
7A	Other debtors and assets	2 152 835	
8A	Trade receivables	1 065 903	
9A	Cash at banks	1 797 700	
10A	**Total Assets**	**8 368 113**	
Liabilities - *Breakdown by liability classes according to the balance sheet in the published/audited financial statements*			
1L	Lease	512 437	
2L	Contract liabilities	600 840	
3L	Trade and other payables	995 073	
4L	Corporate income tax	15 418	
5L	Taxes and State mandatory social insurance payments	313 748	
6L	Accrued liabilities	636 121	
7L	**Total Liabilities**	**3 073 637**	
Shareholders' Equity			
1S	Share capital	6 150 000	4
2S	Other capital reserves	366 396	8
3S	Retained losses	(1 221 920)	6
4S	**Total Shareholders' equity**	**5 294 476**	

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
		Share capital
1	Issuer	AS Mintos Marketplace
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Public or private placement	Private
4	Governing law(s) of the instrument	Commercial Law (Komerclikums)
5	Instrument type (types to be specified by each jurisdiction)	Ordinary share (akcija)
6	Amount recognized in regulatory capital (Currency in millions, as of most recent reporting date)	EUR 6.150
7	Nominal amount of instrument (Currency in million)	EUR 6.150 (6 150 000 shares @ EUR 1.00 each)
8	Issue price	N/A
9	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend-stopper	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretional
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretional
22	Existence of step up or other incentive to redeem	No

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

b. Own funds requirement

The Company should have available internal capital adequate 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, 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 capital requirements of the Company. 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.

	31.12.2023 EUR	31.12.2022 EUR
Applied own Funds requirement	2 847 197	2 452 095
Permanent minimum capital requirement	750 000	750 000
Fixed overhead requirement	2 847 197	2 452 095
Total K-Factor Requirement	521 713	481 423

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 of 2023, the annual fixed overheads amounted to EUR 11 388 789 (2022: EUR 9 808 378), and the FOR was EUR 2 847 197 (2022: EUR 2 452 095).

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 2023 was EUR 521 713 (31.12.2022: EUR 481 423).
K--factor requirement in aggregate form by risk factor categories risk to market (RtM), risk to firm (RtF) and risk to client RtC):

	31.12.2023 EUR	31.12.2022 EUR
Risk to client (RtC)	505 475	469 192
Risk to market (RtM)	16 146	12 119
Risk to firm (RtF)	92	112
Total K-Factor Requirement	521 713	481 423

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

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

As the own funds of the Company consisted only of CET1, all conditions above were met, and the ratio was 185.3% on 31 December 2023 (31.12.2022: 167.5%*).

* Information regarding the restatement made in the Financial Statements is disclosed in Note 2s.

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