

SIA DN Operator

Registration number: 42103092209

Dzirnavu Street 67, Riga, LV-1011 , Latvia

2025 ANNUAL REPORT

**EXECUTED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING
STANDARDS APPROVED IN THE
EUROPEAN UNION**

AND

REPORT OF INDEPENDENT AUDITORS

Riga, 2026

CONTENT

GENERAL INFORMATION	3
MANAGEMENT REPORT	4
STATEMENT ON MANAGEMENT RESPONSIBILITY	11
FINANCIAL STATEMENTS	12
STATEMENT OF CONSOLIDATED INCOME	12
STATEMENT OF FINANCIAL CONDITION	13
CASH FLOW STATEMENT	14
STATEMENT OF CHANGES IN CAPITAL AND RESERVES	15
ANNEX.....	16
1. GENERAL INFORMATION ABOUT THE COMPANY	16
2. EQUITY STRUCTURE	24
3. RISK MANAGEMENT	27
4. IMPORTANT ACCOUNTING PRINCIPLES	32
5. NOTES TO THE CONSOLIDATED INCOME STATEMENT	37
6. NOTES TO THE STATEMENT OF FINANCIAL POSITION	39
7. NOTES TO OFF-BALANCE SHEET ITEMS	41
8. OTHER INFORMATION	42

GENERAL INFORMATION

Company name	SIA DN Operator
Legal status of the company	Limited liability company
Registration No., place and date	42103092209, Commercial Register, Riga, Latvia, 09.04.2019.
Legal address	Dzirnavu Street 67, Riga, LV-1011, Latvia
License number, date and issuer of the investment brokerage company	06.06.08.728/537, 21.09.2021 (extended on December 4, 2024, under No. 27-55/2024/7), the Bank of Latvia (formerly the Financial and Capital Market Commission)
Board, members	<p>SIA ZIdea (Reg. No. 40203138540, Latvia, 100 %), Chairman of the board Salmiņš Ingus [<i>Salmiņš Ingus</i>] (from 09.10.2025; the right to represent with at least 1) Member of the board Putna Anatolijs [<i>Putna Anatolijs</i>] (from 28.07.2025; the right to represent together with the chairman of the board) Member of the board Birkova Justine [<i>Birkova Justīne</i>] (from 28.07.2025; the right to represent together with the chairman of the board)</p> <p>Chairman of the board Rengītis Eriks [<i>Reņģītis Ēriks</i>], till 09.10.2025 Member of the board Bauda Ilona [<i>Bauda Ilona</i>], till 09.12.2025 Member of the board Galzons Martins [<i>Galzons Mārtiņš</i>] till 28.07.2025 Member of the board Lapina Kristine [<i>Lapiņa Kristīne</i>] till 25.04.2025</p>
Parent company	SIA DN Funding Alpha (40203327498; Latvia; 100%)
Capital shares in other companies	SIA DN Funding Alpha (40203380249; Latvia; 100%) SIA DN Funding Alpha (40203385373; Latvia; 100%) SIA DN Funding Alpha (50203385591; Latvia; 100%) SIA DN Funding Alpha (40203466532; Latvia; 100%) SIA DN Funding Alpha (40203526691; Latvia; 100%) SIA DN Funding Eta (40203587516; Latvia; 100%) SIA DN Trustee (40203587465; Latvia; 100%)
Main types of activity	Other financial services, except insurance and pension savings (64.99 NACE 2 ed.) Other information technology and computer services (62.90 NACE 2 ed.)
Accountant	Darzina Sarmite [<i>Dārziņa Sarmīte</i>] (Chief Accountant)
Reporting period	01.01.2025 – 31.12.2025
Previous reporting periods	01.01.2024 – 31.12.2024
Independent auditors	BDO ASSURANCE SIA Reg. No.: 42403042353 Mihaila Tala Street 1, Riga, LV-1045 License no. 182 Katrīna Kora Jaunkalne [<i>Katrīna Kora Jaunkalne</i>] Certificate no. 255

MANAGEMENT REPORT

SIA DN Operator (hereinafter - the Company) is the investment company licensed by the Bank of Latvia, which main activity is the provision of investment opportunities for individuals and legal entities, offering investment assets (debt securities) secured by loans from European non-bank credit issuers for the segment of small and medium-sized companies, as well as repurchasing obligations and bonds issued by European small and medium-sized companies. The company owns the investment platform Debitum (<https://debitum.investments>) (hereinafter – Platform). The platform has developed a stable investor base and offers investment opportunities with different levels of risk and return, adapting to market fluctuations.

The reporting year has ended with a trend of increasing investment volume and this has resulted in a series of significant events and strategically important successes, creating positive conditions for the future development of the Company. In 2025, the Company successfully continued to strengthen its position as one of the most reliable licensed investment platforms in the business financing segment, fulfilling the necessary criteria set by the investment brokerage company license issued by the Bank of Latvia for the following services:

1. placement of financial instruments without committing to redeem financial instruments;
2. investment consultations;
3. holding of financial instruments;
4. currency exchange services, if they are related to the provision of investment services;
5. execution of orders on behalf of the clients;
6. provision of services related to the initial placement of financial instruments;
7. portfolio management.

About Debitum platform

The company is one of the ten investment platforms in Latvia that have received the license of investment brokerage company and operate upon similar model. In 2025, the target market of Debitum platform was Latvia, however, investors from other European countries, especially Germany, also like the platform.

In 2025, the Platform's main business profile remained unchanged, offering investors the opportunity to purchase (i) financial instruments secured by claims on business loans from European credit issuers to small and medium-sized companies in Europe, and (ii) bonds of small and medium-sized European companies.

The Company's team selects those who could benefit from additional financing in the market of non-bank credit providers, thoroughly examines and selects those who meet the Company's criteria.

Change of platform owners

At the beginning of 2025, the Company's shares were owned by two members - SIA ZIdea with 67.01847% and SIA Amplo with 32.98153%. At the end of 2025, SIA Amplo sold all of its shares, as a result of which there is currently one and only member, SIA ZIdea, with 100%. Along with the change of owners (members), the Company made changes to the Board, dividing business functions between three members of the Board to ensure continuity of management.

Platform development

In 2025, the technical development of the Platform continued to ensure the offering of asset-backed securities and bonds to investors in accordance with the requirements of the investment brokerage company license issued by the Bank of Latvia. In 2025, the company received permit to provide cross-border services (*passporting*) in accordance with applicable legislation - Germany, Italy, the Netherlands, Austria, Belgium, Spain and France.

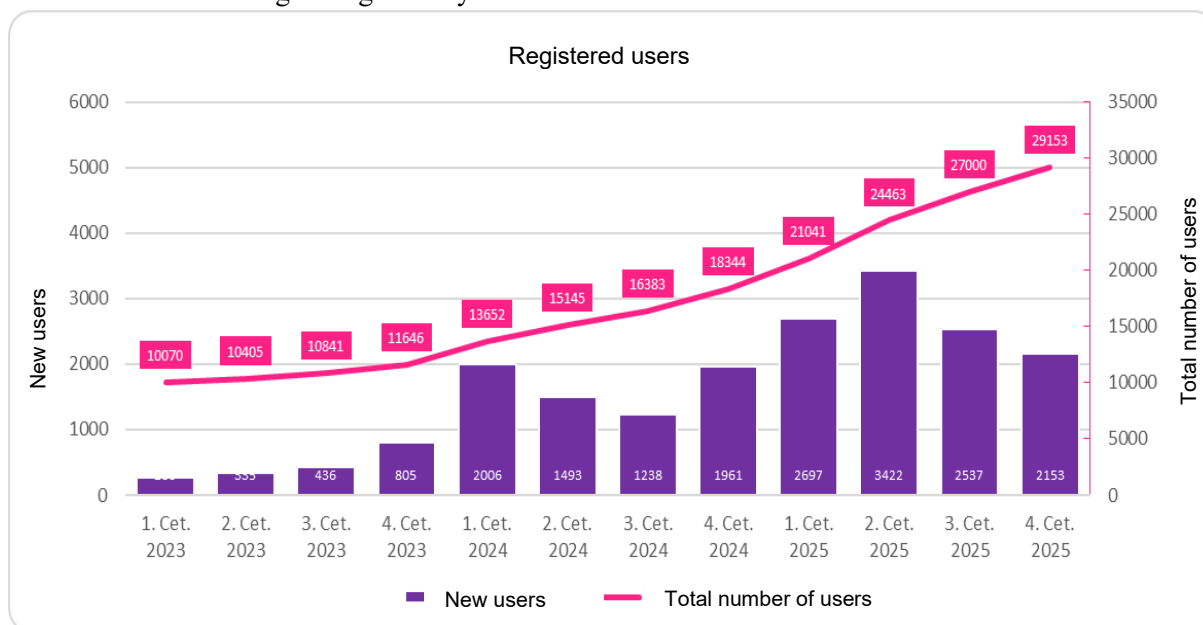
Also, ensures the requirements of the Prevention of Money Laundering and the Financing of Terrorism and Proliferation (hereinafter – AML/CFT) by implementing automated solutions, which are also used by a large number of financial institutions licensed in Latvia.

Special attention was paid to business continuity issues, including improving corporate governance, developing documentation, and further automating and optimizing processes. Changes were also made among the most critical cooperation partners, which allowed us to ensure stable and sustainable operation of the platform and provision of services to its investors and clients. In addition, the company's financial performance was significantly improved, exceeding the goals set at the beginning of the year.

Users of the platform

The Debitum platform is suitable for both legal entities and individuals. However, in case of individuals, it is intended for those who have sufficient investment knowledge and experience, as well as for whom an individually assessed appropriate risk appetite has been established, which ensures the ability to make informed investment decisions.

The number of registrations reached 29,153 at the end of 2025 (an increase of 59%). In general, the number of users is growing steadily.



Our partners – credit issuers and originators

In 2025, the number of active loan originators and bond issuers of the Company's partners steadily increased.

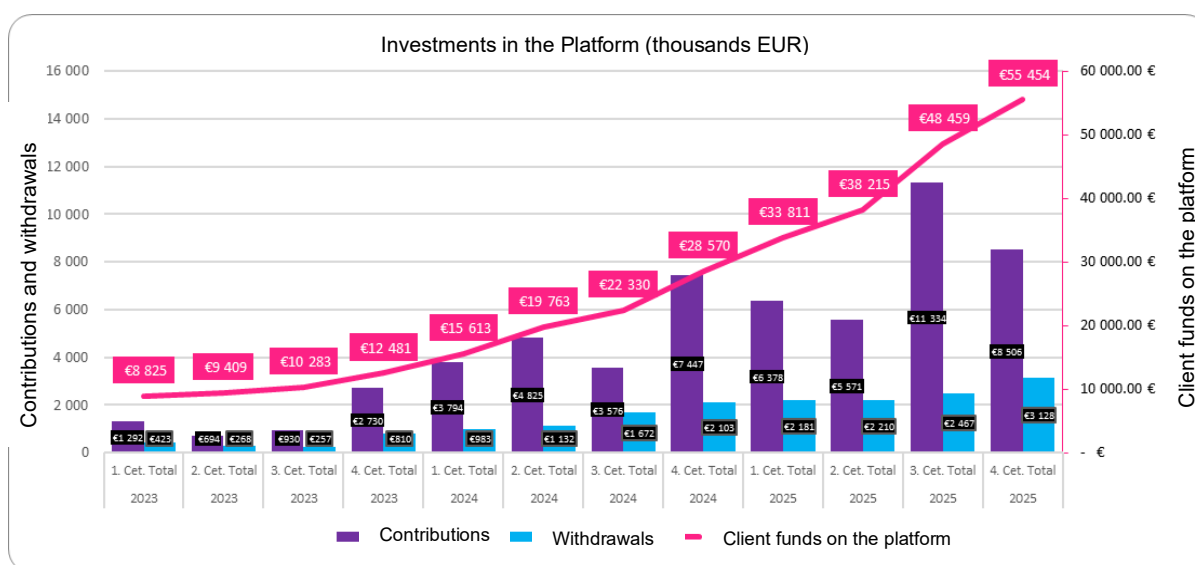
The platform continued its successful cooperation with credit issuers: Sandbox Funding Ltd., whose main activity is issuing business loans to Latvian companies. Triple Dragon Funding Delta Ltd (parent company of Triple Dragon Limited (Great Britain; business loans)), Evergreen Capital OU (Estonia;

business loans). The platform started cooperation with new partners from Latvia: SIA Latvijas Meža Attīstības fonds, SIA Baltic Terra Capital.

Taking into account the growing dynamics in attracting new deposits and investors, the Company's goal is to attract new credit originators and bond issuers. This strategy will contribute to an increase in investment volume, ensuring financial sustainability in 2026.

Contributions and withdrawals

In 2025, investors deposited funds into the Platform in the amount of EUR 31.789 million, which was 61% more than in 2024. In turn, withdrawals from the Company were made in the amount of 9.986 million, which was 69% more than in 2024 and which shows that the reliability of the Platform and the Company is rapidly growing.



Investments

An important factor in the operation of the platform is not only the attraction of new funds, but also the ability to offer a sufficiently wide and attractive assortment of assets, so that investors continue to invest the repaid funds in the platform.

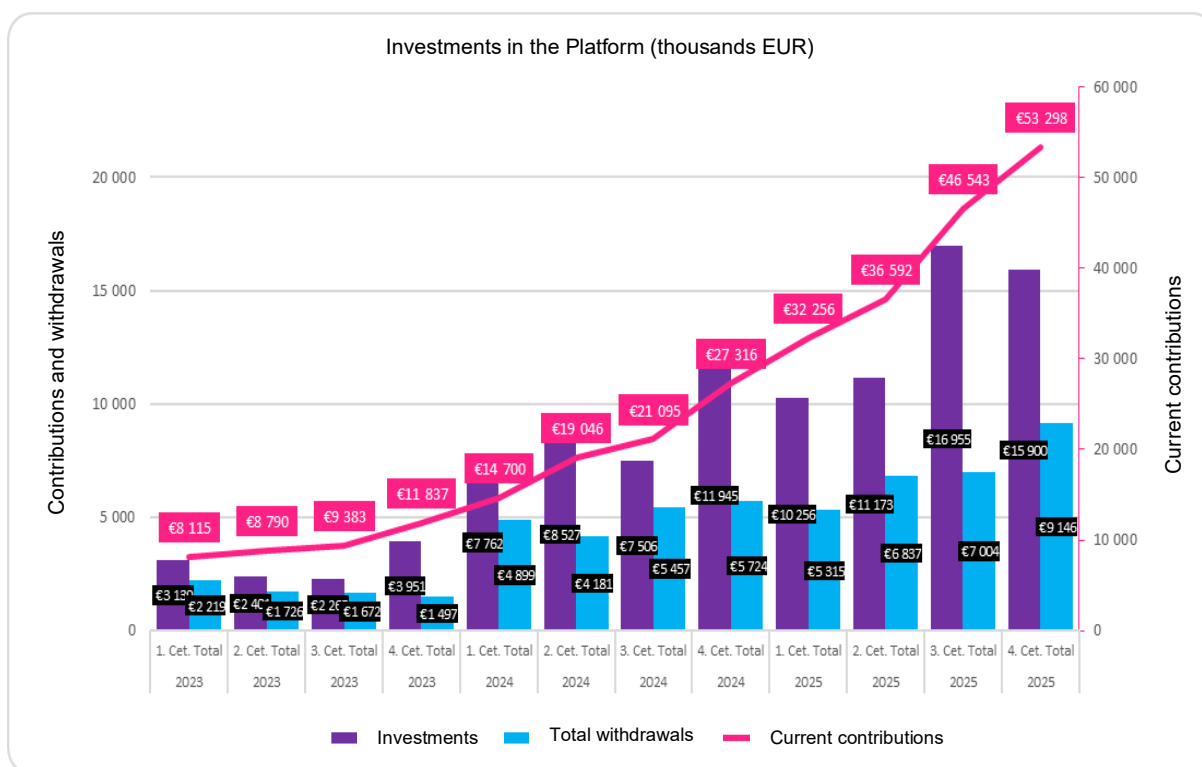
In 2025, the total amount of investments made was 54.284 million, which was 52% more than in 2024 (35.740 million EUR).

The investment-to-return ratio in 2025 is 1.91 (1.97 in 2024).

The Company is pleased that investors like the assets offered on the Platform and that they are of sufficient quality and profitable to reinvest funds in them again and again.

Regarding the current portfolio size indicator, a proportionally higher growth rate is expected in the coming years. This is due to the fact that by attracting more loan originators and bond issuers, the Platform's investors will have the opportunity to invest in various financial instruments, diversifying risk.

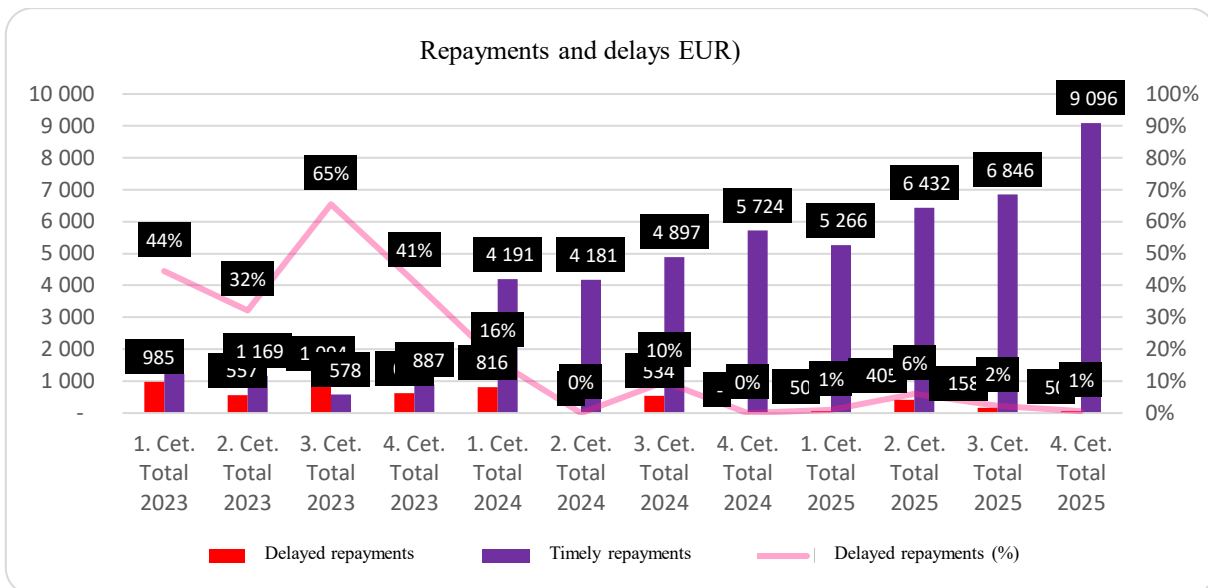
However, with respect to the ratio of investments to repayments, an increase in the ratio is expected due to the higher share of new contributions in the total invested volume.



Repayments and delays

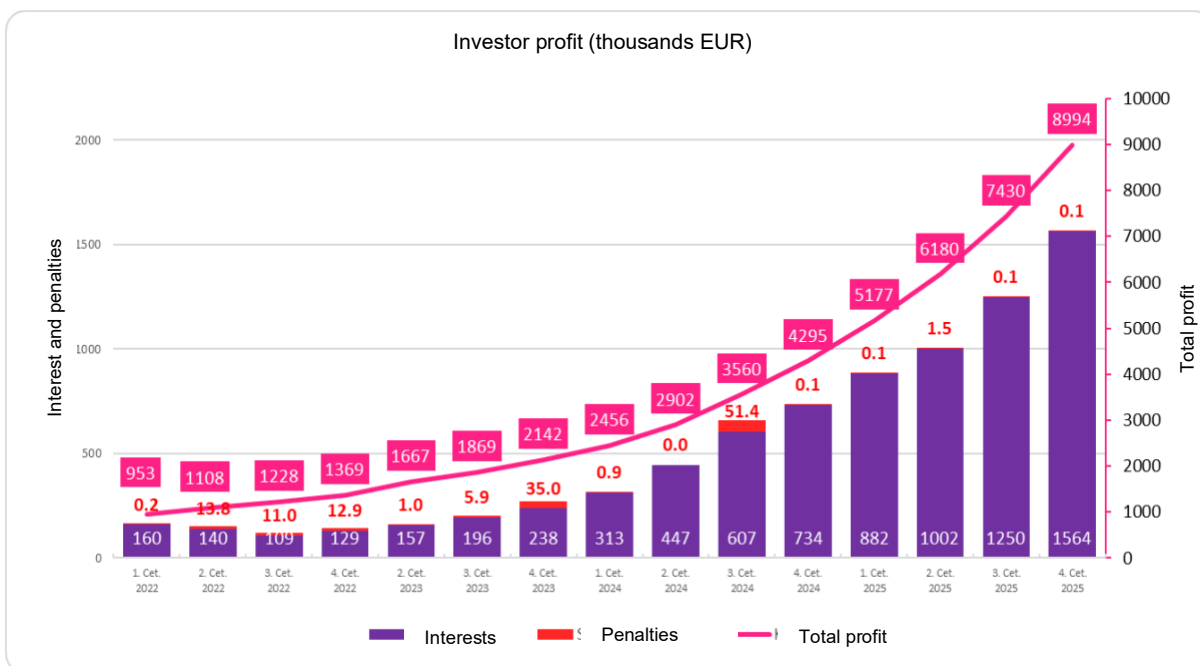
The Company considers repayment discipline to be the main factor of the Platform's reputation and user trust. According to the terms of the contracts between the Platform operator (Company) and the loan issuers, they are obliged to pay additional penalty interest if it is overdue after the grace period (as agreed individually).

The number and volume of late payments on the Platform is extremely low - in 2025 it was 2.39% (in 2024 it was 7.10%) of total repayments. In addition, investors receive not only interest payments but also fines, which often have even higher rates than interest payments, for the repayment delay. The penalties are not calculated only during the grace period. It is essential to mention that all assets have been paid back and investors have never lost any of their investments in the Platform during the operation of the Platform. Also, those investments that are secured by a claim against the Ukrainian borrower Motor Finance are not yet considered lost and are awaiting the end of *force majeure* circumstances or permission from the Central Bank of Ukraine. At the same time, the platform is not limited to waiting - in parallel, active work is carried out in close cooperation with lawyers and the borrower himself to ensure continuous monitoring of investments and implement all necessary measures for their successful recovery, so that interest payments and repayments can begin in accordance with the recovered amounts.



Profit of investors

In 2025, the Platform's clients earned a profit of EUR 4.699 million from their investments.



License

On 21 September 2021, the Company received an investment brokerage company license no. issued by the Financial and Capital Market Commission (now the Bank of Latvia) with the established transitional period of 3 months, until 01.03.2022.

During the transition period, the Platform took all the necessary actions so that the platform and investors were entitled to work with financial instruments, and the offering of investments in the form of assignment contracts to both new and existing customers was gradually terminated, completely replacing them with the financial instruments.

The transition period was successfully completed before the deadline and the Platform was the first crowd funding platform in Latvia, which placed the first asset-backed securities on the platform

already on February 26, 2022.

On 4 December 2024, the Company received an investment company license No. 27-55/2024/7 issued by the Bank of Latvia (formerly the Financial and Capital Market Commission), which was extended by the permit to provide portfolio management services.

From the moment of obtaining the license, private investors have the right to investor protection measures, as stipulated in the regulatory enactments. In specific cases, the investor will be entitled to compensation of up to 90% of the lost funds, but not more than 20,000 EUR. Such protective measures significantly improve the security of Platform users.

Establishment of the subsidiary

The first special purpose subsidiary SIA DN Funding Alpha was established in 2021, which is 100% owned by the Company to be able to provide services in accordance with the conditions of the received license. In 2022, three more subsidiaries were established: SIA DN Funding Beta, SIA DN Funding Gamma, SIA DN Funding Delta. In 2023, two additional subsidiaries, SIA DN Funding Epsilon and SIA DN Funding Zeta, were established. In 2024, SIA DN Funding Eta was established.

The goal of the company's subsidiaries is securitization, or the issuance of asset-backed financial securities. The company's subsidiary will purchase a portfolio of assets with deferred payment from the lenders and, through securitization, will issue a security that will be secured by at least 5 assets.

In 2024, the Company established a subsidiary, SIA DN Trustee, which activities are not securitization or the issuance of asset-backed financial securities. DN Trustee Ltd. will act as a collateral agent in accordance with the Financial Instruments Market Law. The bonds of the company's cooperation partner – the bond issuer – will be secured by collateral (commercial pledge, mortgage, civil law pledge, guarantee), which will be held in the interests and for the benefit of investors by SIA DN Trustee in accordance with the bond documents.

Team spirit

In 2025, the Company recruited new team members with in-depth experience in banking and non-banking finance and by the end of the year, the team already had more than 15 employees, not counting the additions to the number of external service providers who regularly support the Platform.

Financial results of the company

In 2025, the Company generated commission income of EUR 2,414,713 (EUR 1,301,834 in 2024) and ended the year with a profit of EUR 531,597 (EUR 103,912 in 2024).

The platform has achieved its business goal of transfer to the regulated financial instruments market, as well as the positive trend in incoming cash flow at the end of 2025, that makes us believe that the Company's operations in the reporting year have been successful and, despite various challenges, the Company's results are in line with the business plan.

Risks and uncertainty

Risks and their management are an integral part of the Company's activity and are described in the "Risk Management" section of the annex to the financial statement.

The team of the Debitum platform follows a prudent risk management policy, especially in relation to the offered investment opportunities, which is also the basis of successful operations so far.

Plans for 2026

In 2026, the Company will continue the initiatives launched in previous years to expand investment opportunities, strengthen the platform's market position, and promote the company's growth.

Main goals of 2026:

- Increase in investment volume, ensuring stable attraction of new deposits every month;
- Increase in funding, promoting the regular development of new funding streams;
- Attracting new investors by constantly expanding the number of registered users;
- Development of new investment products, with a particular focus on liquid instruments, fractional bonds and investments with Nasdaq trading opportunities, to attract new reliable bond issuers to provide clients with a variety of investment choices;
- Participation in industry associations to strengthen the Company's position in the market and promote the development of regulatory frameworks;
- Website improvements, providing greater transparency and additional information for investors.

The company plans to continue the further development, maintaining its conservative approach, adapting to new challenges that the future may bring. The goal in 2026 is also to significantly increase our investment portfolio, offering safe and attractive investments and accessible, flexible financing solutions to our partners, promoting the development of small and medium-sized companies in Europe. The Company will continuously improve its compliance functions in accordance with current regulations. The company will work purposefully on expanding its license, which will allow it to offer services to a wider range of European investors, and will continue to cooperate with regulators to ensure sustainable development.

Chairman of the board Salmins Ingus [*Salmiņš Ingus*]

Member of the board Putna Anatolijs [*Putņa Anatolijs*]

Member of the board Birkova Justine [*Birkova Justīne*]

The document is signed with a secure electronic signature and contains a time stamp.

STATEMENT ON MANAGEMENT RESPONSIBILITY

The board of SIA DN Operator is responsible for the preparation of the Company's financial statements.

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards adopted by the European Union on the going concern basis and give a true and fair view of the Company's financial position as of December 31, 2025, and of the Company's performance, changes in equity and cash flows for the year ended in 2025.

The Company's board certifies that the Company's financial statements included in the 2025 annual report have been prepared on the basis of supporting documents and in accordance with appropriate accounting principles.

During the preparation of these financial statements, the decisions and assessments made by the board have been prudent and reasonable.

The Board of the Company certifies that these financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union, based on the going concern principle, and in full compliance with the Bank of Latvia Regulation No. 326 of 21 October 2024 "Regulations on Annual Reports and Consolidated Annual Reports of Credit Institutions, Investment Brokerage Companies, Investment Management Companies and Private Pension Funds".

The Board of the Company is responsible for ensuring an appropriate accounting system, preserving the Company's assets, as well as for detecting and preventing fraud and other violations committed by the Company.

The Company's Board is also responsible for compliance with the requirements of the Financial Instruments Market Law, regulations of the Bank of Latvia, and other regulatory enactments of the Republic of Latvia and the European Union applicable to investment brokerage companies.

Chairman of the board Salmins Ingus [*Salmiņš Ingus*]
Member of the board Putna Anatolijs [*Putņa Anatolijs*]
Member of the board Birkova Justine [*Birkova Justīne*]

The document is signed with a secure electronic signature and contains a time stamp.

FINANCIAL STATEMENTS

STATEMENT OF CONSOLIDATED INCOME

	Note	2025, EUR	2024, EUR
Commission income	5.1.	2,414,713	1,301,834
Other operating income	5.2.	20,541	14,150
Other operating expenses	5.3.	(975,684)	(539,084)
Administrative expenses	5.4.	(951,415)	(671,739)
Profit/loss before corporate income tax		508,155	105,161
Corporate income tax		(797)	(1,249)
Profit/(loss) of the reporting year		507,358	103,912
Comprehensive income of the reporting year total		507,358	103,912

The notes to the financial statements from page 16 to page 42 are an integral part of the financial statement.

Chairman of the board Salmins Ingus [*Salmiņš Ingus*]
Member of the board Putna Anatolijs [*Putņa Anatolijs*]
Member of the board Birkova Justine [*Birkova Justīne*]

Chief Accountant Sarmite Darzina [*Sarmīte Dārziņa*]

The document is signed with a secure electronic signature and contains a time stamp.

STATEMENT OF FINANCIAL CONDITION

Assets	Note	31.12.2025, EUR	31.12.2024, EUR
Claims against credit institutions		378,036	87,640
Financial assets accounted at amortized cost	6.1.	330,767	287,681
Investments in subsidiaries	6.2.	22,400	22,400
Other fixed assets and inventory	6.3.	7,771	7,433
Intangible assets	6.3.	733,660	597,148
Assets total		1,472,634	1,002,302

Liabilities	Note	31.12.2025, EUR	31.12.2024, EUR
Financial liabilities accounted at amortized cost	6.4.	437,367	474,393
Liabilities total		437,367	474,393

Equity	Note	31.12.2025, EUR	31.12.2024, EUR
Paid share capital	6.5.	758,000	758,000
Share premium		222,000	222,000
Uncovered losses from previous years		(452,091)	(556,003)
Profit/(loss) of the reporting year		507,358	103,912
Share capital total		1,035,267	527,909
Liabilities and equity total		1,472,634	1,002,302

The notes to the financial statements from page 16 to page 42 are an integral part of the financial statement.

Chairman of the board Salmins Ingus [*Salmiņš Ingus*]
Member of the board Putna Anatolijs [*Putņa Anatolijs*]
Member of the board Birkova Justine [*Birkova Justīne*]

Chief Accountant Sarmite Darzina [*Sarmīte Dārziņa*]

The document is signed with a secure electronic signature and contains a time stamp.

CASH FLOW STATEMENT

(prepared by the indirect method)

	2025, EUR	2024, EUR
Cash flow from main activities		
Profit/(loss) before corporate income tax	508,155	105,161
Amortization/depreciation of intangible assets and fixed assets	83,111	62,058
Increase/(decrease) in cash and cash equivalents as a result of operating activities before changes in assets and liabilities	591,266	167,219
(Increase)/decrease of accrued income and provisions	61,765	(22,863)
(Increase)/decrease of other assets	(104,851)	(205,477)
Increase/(decrease) of accrued expenses and provisions	68,390	18,449
Increase/(decrease) of other liabilities	154,125	21,283
Changes in cash and cash equivalents as a result of operating activities	770,695	(21,389)
(Corporate income tax paid)	(797)	(1,249)
Increase/ (decrease) in cash and cash equivalents as a result of operating activities	769,898	(22,638)
Cash flow from investing activity		
Fixed assets and intangible assets (purchase)	(219,961)	(209,796)
Participations in the share capital of companies (acquisition)	-	(5,600)
Increase/(decrease) in cash and cash equivalents from investing activities	(219,961)	(215,396)
Cash flow from financing activities		
Increase of share capital	-	230,000
Cash received from/(paid out for) other financing activities	(259,541)	69,875
Increase/(decrease) in cash and cash equivalents as a result of financing activity	(259,541)	299,875
Increase/(decrease) in cash and cash equivalents	290,396	61,841
Cash and cash equivalents at the beginning of the reporting year	87,640	25,799
Foreign currency revaluation profit/(loss)	-	-
Cash and cash equivalents at the end of the reporting year	378,036	87,640

The notes to the financial statements from page 16 to page 42 are an integral part of the financial statement.

Chairman of the board Salmins Ingus [*Salmiņš Ingus*]
Member of the board Putna Anatolijs [*Putņa Anatolijs*]
Member of the board Birkova Justine [*Birkova Justīne*]

Chief Accountant Sarmite Darzina [*Sarmīte Dārziņa*]

The document is signed with a secure electronic signature and contains a time stamp.

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

	Paid share capital	Share premium	Retained earnings/(losses)	Total
31 December 2023	750,000	-	(556,003)	193,997
Increase of share capital	8,000	-	-	8,000
Profit/(loss) of the reporting period	-	-	103,912	103,912
Share premium	-	222,000	-	222,000
31 December 2024	758,000	222,000	(452,091)	527,909
Profit/(loss) of the reporting period	-	-	507,358	507,358
31 December 2025	758,000	222,000	55,267	1,035,267

The notes to the financial statements from page 16 to page 42 are an integral part of the financial statement.

Chairman of the board Salmins Ingus [*Salmiņš Ingus*]
Member of the board Putna Anatolijs [*Putņa Anatolijs*]
Member of the board Birkova Justine [*Birkova Justīne*]

Chief Accountant Sarmite Darzina [*Sarmīte Dārziņa*]

The document is signed with a secure electronic signature and contains a time stamp.

ANNEX

1. GENERAL INFORMATION ABOUT THE COMPANY

SIA DN Operator (hereinafter - the Company) was registered in the Enterprise Register of the Republic of Latvia on 09.04.2019 to manage the Debitum platform (hereinafter - the Platform).

The reason for establishing the company was to have the Platform managed by the licensed financial company. The necessary documents have been submitted to the Bank of Latvia, the financial market regulator, and with the approval of the FCMC (now the Bank of Latvia) at the end of 2020, the operation and management of the Platform has been transferred to a separate legal entity, SIA DN Operator.

All documents previously approved by Platform users and partners (including Platform terms and conditions, confidentiality policy, assignment agreements and cooperation agreements) remained in force. Most of the documents were updated during 2021 so that they better comply with the established legal framework for obtaining the license of the investment brokerage company.

All valid investments, accrued interest and fines, free balances of investor contributions, as well as all previous information on investor accounts were transferred to SIA DN Operator on 31.12.2020. Starting from 01.01.2021. SIA DN Operator started managing all contributions, withdrawals, investments and refunds.

The Company has received an investment brokerage company license on 21.09.2021, license number 06.06.08.728/537, (extended on 04.12.2024, license No. 27-55/2024/7) for the following investment services:

1. execution of orders on behalf of the clients;
2. portfolio management;
3. investment consultations;
4. placement of financial instruments without undertaking an obligation to redeem financial instruments, and the following ancillary investment services:
5. holding of financial instruments;
6. currency exchange services, if they are related to the provision of investment services;
7. provision of services related to the initial placement of financial instruments.

The company's registered office is Dzirnavu street 67, Riga, LV-1011, Latvia.

Parent company of the Company:

SIA ZIdea (reg. no 40203138540; 100%).

Parent companies:

- 1) SIA DN Funding Alpha (Reg. No. 40203327498, Latvia),
- 2) SIA DN Funding Beta (Reg. No. 40203380249, Latvia),
- 3) SIA DN Funding Delta (Reg. No. 40203385373, Latvia),
- 4) SIA DN Funding Gamma (Reg. No. 50203385591; Latvia).
- 5) SIA DN Funding Epsilon (Reg. No. 40203466532, Latvia).
- 6) SIA DN Funding Zeta (Reg. No. 40203526691, Latvia).
- 7) SIA DN Funding Eta (Reg. No. 40203587516, Latvia).
- 8) SIA DN Trustee (Reg. No. 40203587465, Latvia).

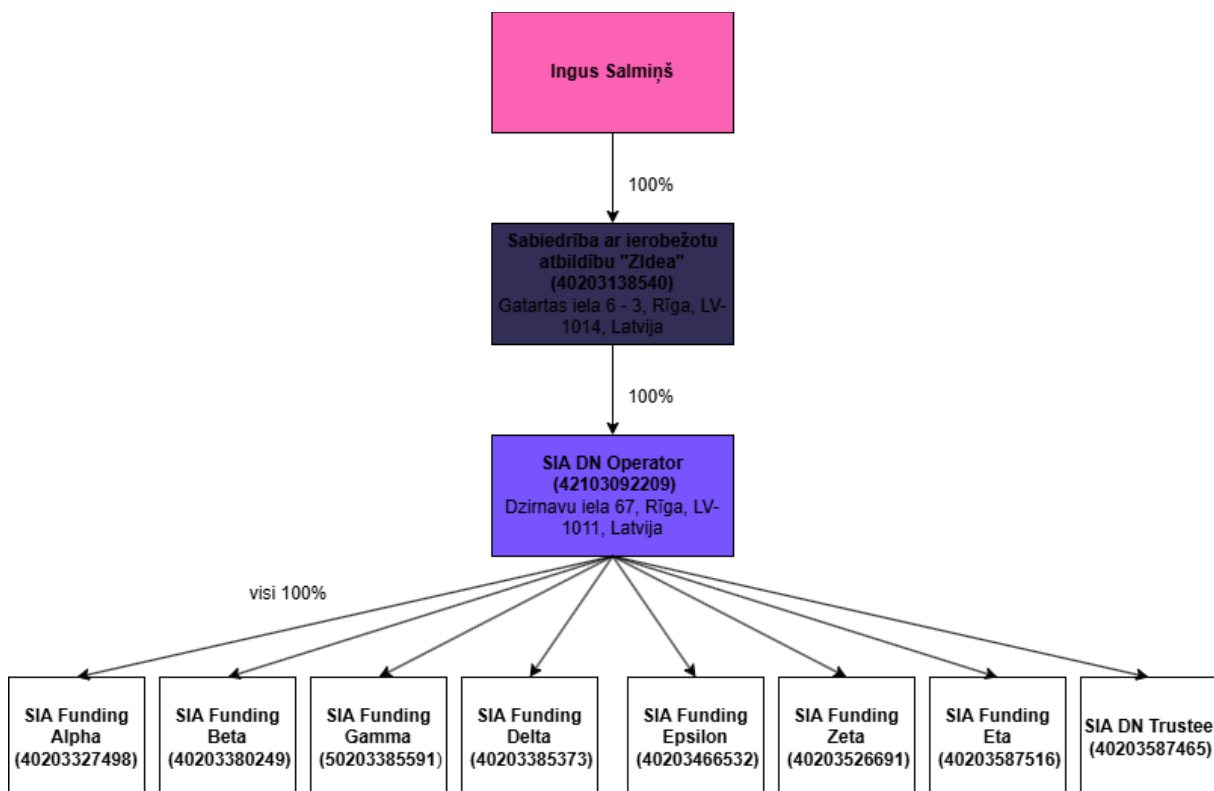
Financial report of the company for the period from 01.01.2025 until 31.12.2025

The following information is disclosed:

- 1) on the management of the Company based on Article 48 of Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms (amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014) ("IFR");
- 2) on the Company's own funds requirements based on Article 50 of the IFR;
- 3) on the Company's remuneration policy based on Article 51 of the IFR and Regulation of the Bank of Latvia No. 323 "Regulations on the Remuneration Policy and Practice of Investment Brokerage Companies" ("**Regulation of the Bank of Latvia No. 323**") of 14 October 2024;
- 4) information on the legal structure of the Company's group based on clause 3 of Article 57 of the Law on Investment Firms ("**LIF**").

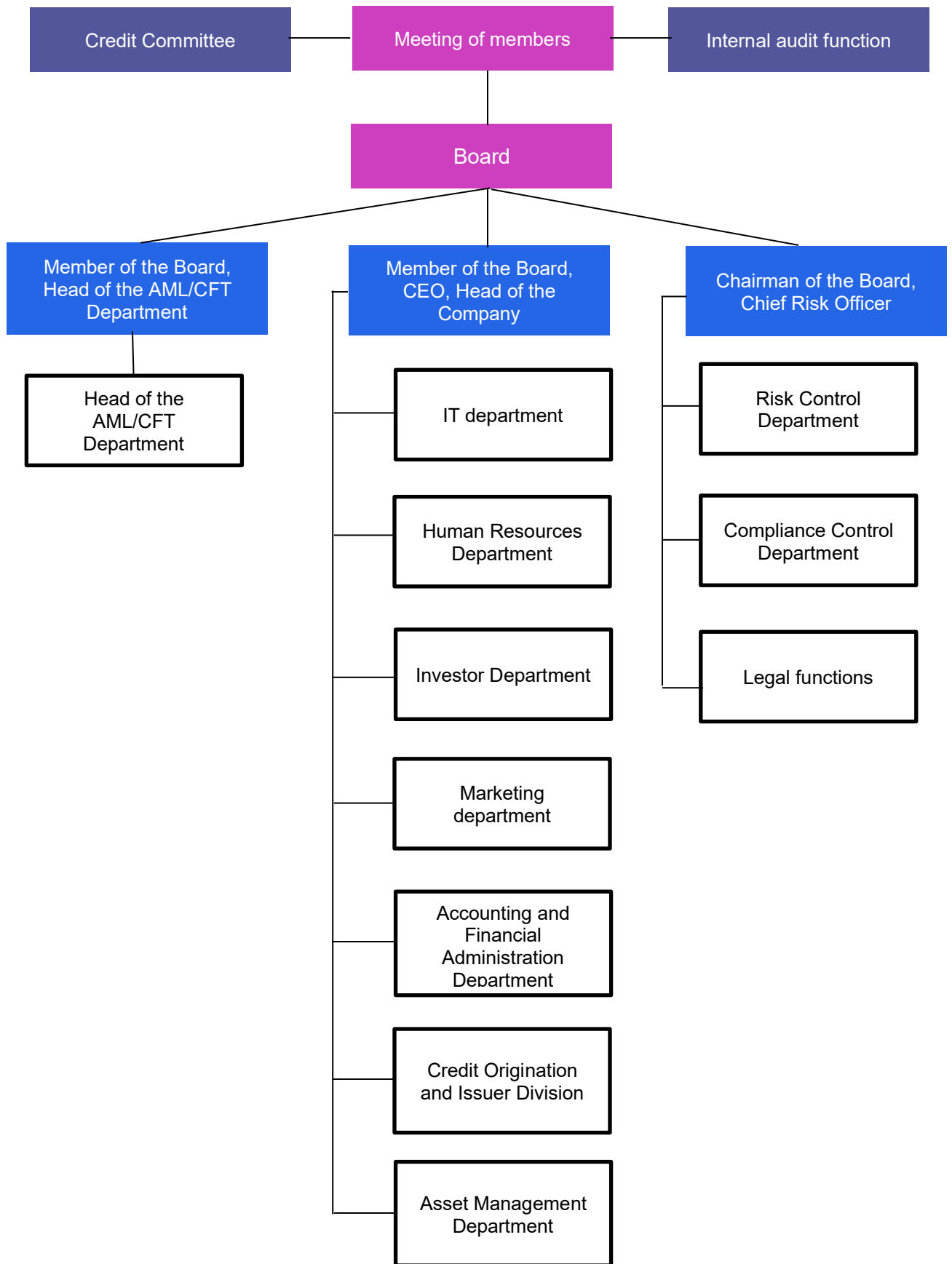
Company structure

The Company discloses information about the legal structure of the Company's group based on Paragraph 3 of Article 57 of the Law on Investment Firms.



The structure of the Company (Group) reflects the situation as of 31 December 2025.

Organizational structure



The organizational structure represents the situation as of 31 December 2025.

Approvals

In accordance with Clauses 2, 3 and 6 of paragraph two of Article 12 of the LIF, there are no circumstances in relation to the Company that would lead to:

1. the close relationship of an investment brokerage company with third parties threatens or may threaten its financial stability or restricts the right of the Bank of Latvia to perform its supervisory functions prescribed by law;
2. foreign laws and other regulatory enactments relating to persons who have close relationships with an investment brokerage company restrict the right of the Bank of Latvia to perform its statutory supervisory functions;
3. it is not possible to ascertain the identity, reputation or adequacy of free capital of persons who have a significant participation in the investment brokerage company;
4. financial resources invested in the capital of an investment brokerage company were obtained through suspicious transactions, or the legal acquisition of these financial resources has not been documented.

In accordance with Clause 9 of paragraph one of Article 31 of the LIF, the Company has established reasonable security mechanisms to guarantee the security and authentication of information transmission means, minimize the risk of data corruption and unauthorized access, and prevent information leakage, always maintaining data confidentiality.

comprehensive and effective internal control systems appropriate to the nature, scale and complexity of the operations.

In accordance with Clause 15 of paragraph one of Article 31 of the LIF, the Company continuously and systematically provides investment services and ancillary investment services using appropriate systems, means and procedures.

Company management

The Company discloses information about the Company's management based on Article 48 of Regulation No. 2019/2033:

1. the number of director positions held by members of the management body;
2. the diversity policy regarding the selection of members of the management body, its objectives and any relevant tasks provided in that policy, as well as the extent to which those objectives and tasks have been achieved;
3. whether or not the investment brokerage firm has established a separate risk management committee, and how many times a year the risk management committee has met.

Number of director positions held by members of the management body

Member of the board	Appointed	Dismissed	Director position
Birkova Justine [<i>Birkova Justīne</i>]	25.04.2025	-	1
Putna Anatolijs [<i>Putņa Anatolijs</i>]	28.07.2025	-	1
Ingus Salmins [<i>Ingus Salmiņš</i>]	14.11.2023	-	1
Ilona Bauda [<i>Ilona Bauda</i>]	28.07.2025	09.12.2025	-

Eriks Rengītis [<i>Ēriks Reņģītis</i>]	17.10.2024	09.10.2025	-
Martins Galzons [<i>Mārtiņš Galzons</i>]	17.10.2024	28.07.2025	-
Kristīne Lapina [<i>Kristīne Lapiņa</i>]	12.06.2024	25.04.2025	-

Diversity policy

The company has not developed a specific diversity policy. The company's remuneration policy provides for determining remuneration, hiring and ensuring career growth without discrimination on the basis of gender, age, nationality, race, social status, religion, or social orientation.

Risk Management Committee

The Company has not established a risk management committee.

Remuneration policy

The Company discloses information about the Company's remuneration policy based on Article 51 of the IFR and Regulation No. 323 of the Bank of Latvia:

1. key features of the remuneration system development, including the level of the variable remuneration component and the criteria and instruments for awarding the variable remuneration component, the policy on payment, the policy on deferring the variable remuneration component and the criteria for granting irrevocable rights;
2. the relationship between the fixed and variable parts of remuneration;
3. summarized numerical data on remuneration, divided between senior management and those employees whose activities significantly affect the Company's risk profile, indicating:
 - a. the amount of remuneration awarded in 2025, separately indicating the fixed part of the remuneration, including a description of the components of the fixed part, and the variable part of the remuneration, as well as the number of recipients;
 - b. the amount and types of the variable remuneration awarded, separately indicating cash, shares, share-related instruments and other forms in relation to the part paid in advance and the part paid in deferred payment;
 - c. the amount of deferred remuneration granted for previous periods, separately indicating the amount for which irrevocable rights have been acquired in 2025 and the amount for which irrevocable rights will be acquired in subsequent years;
 - d. the amount of outstanding deferred remuneration, for which the irrevocable rights were acquired in 2025 and which has been paid out during 2026, and which has been reduced by making adjustments to the operating result;
 - e. the variable part of guaranteed remuneration granted in the financial year and the number of recipients;
 - f. payments for termination of employment granted in previous periods that were paid out during the financial year;
 - g. the amount of payments granted for termination of employment relationships in the financial year, indicating separately the amounts paid in advance and deferred, the number of recipients of these payments and the largest payment granted to one person,
4. information on whether the Company benefits from the derogation from the basic principles of the remuneration policy specified in clause 27 of Regulation No. 323 of the Bank of Latvia regarding positions affecting the risk profile of the Company.

Description of remuneration policy

The Company has developed a remuneration policy, the purpose of which is to determine the basic principles and policy for the remuneration of the Company's employees. The remuneration policy applies to all employees of the Company and is available to all employees of the Company. The remuneration policy is reviewed at least once a year to ensure compliance with the Company's current activity, taking into account its development strategy and the influence of external factors.

The Company's remuneration policy and practice are based on the following principles:

- 1) internal justice;
- 2) external competitiveness;
- 3) transparency;
- 4) flexibility.

The company's employees are subject to a uniform remuneration system, without discrimination based on gender, age, nationality, race, social status, religion, or social orientation. The remuneration of the Company's employees is based on the average market remuneration of the country and/or the specific sector. The Company concludes employment contracts for an indefinite period, but in exceptional cases, employment contracts may be concluded for a fixed period (currently, the Company has no employees with fixed-term employment contracts). The remuneration policy provides for the payment of remuneration only in cash. The Company does not set special and specific provisions in employment contracts regarding notice periods and compensation for termination of employment relationships; accordingly, the notice period and compensation for termination of employment relationships are determined in accordance with the requirements of the regulatory enactments on the employment.

Remuneration does not create an incentive or tendency to take excessive risks, harm environmental, social, or governance issues, and/or sustainability in general; the Company's remuneration policy does not encourage excessive risk-taking, as employees do not derive financial benefit from taking such risks.

The Company's remuneration system corresponds to the Company's organizational structure, size, scope, type, complexity, specificity, internal organization, and financial position. The company has not established a remuneration committee.

The Company's remuneration policy provides that remuneration may consist of a fixed and variable part. In practice, the Company, taking into account its structure, size, scope of activities, type, complexity, specifics, internal organization and financial situation, does not yet determine the structure and conditions for the formation of the variable part of the remuneration. The remuneration policy provides that for employees not influencing the risk profile, annual targets (including non-financial targets - customer service, process targets) must be set at the beginning of the year when determining the variable part of the remuneration.

In relation to employees who influence the risk profile, the performance of the management objects and the overall performance results, assessment of the results and independence are also taken into account. The Company is entitled to partially or fully reduce and postpone the payment of the variable part of the remuneration if the Company's financial performance reduces or is negative. The employees influencing the risk profile benefit taking into account (i) the main performance results and risks of the managed object; (ii) the financial position of the structural unit and the overall financial position of the Company; (iii) the performance results of the managed employees. If financial performance reduces, the variable remuneration component (including deferred remuneration) is reduced. In practice, the Company does not determine the variable remuneration component for employees who have an impact on the risk profile.

In exceptional cases, a decision may be made to pay a one-time bonus to employees not influencing the risk profile, for special achievements (i.e., for example, special diligence in the performance of work, particularly good work results), if such a bonus was not previously promised, the payment of such a bonus does not have a negative impact on the Company's equity adequacy, such bonuses do not constitute more than 40% of the fixed part of the relevant employee's remuneration in the relevant calendar year.

The remuneration system, policy and practice have been developed taking into account that the average value of the Company's balance sheet and off-balance sheet assets during the previous 4 (four) financial reporting years has been equal to or less than 100 million Euro, and there are no employees in the Company whose variable remuneration component awarded for the reporting period would be equal to

or exceed EUR 50,000 and at the same time would constitute more than one quarter of the total annual remuneration. The company benefits from the derogation specified in Article 32(4) of Directive (EU) 2019/2034.

Quantitative data on remuneration policy

	2025, EUR Variable part	2025, EUR Fixed part
Employee remuneration (EUR)	13,192	502,197
Number of recipients	13	23

Employees affecting the risk profile (31 December 2025)		
Category	Number of employees	Remuneration (EUR)
Members' Meeting	1	-
Board*	3	171,777
Other employees who influence the Company's risk profile	1	6,634
Total	5	178,411

*In 2025, the Company's Board had 7 (seven) different members at different times; the remuneration is indicated for all members of the Board together for 2025.

Remuneration paid for termination of employment (31.12.2025)	
For 2025 (EUR)	37,132
Paid in advance or deferred in 2025 (EUR)	-
Number of people who received payments	9
Highest remuneration paid (EUR)	16,082

Derogation of Directive (EU) 2019/2034

The company benefits from the derogation specified in Article 32(4) of Directive (EU) 2019/2034 from the application of clause j) and sub-clause l) of Article 32(1) and the third paragraph of clause 3 of Directive (EU) 2019/2034, on the basis of both sub-clauses of Article 32(4):

1. The average value of the company's balance sheet and off-balance sheet assets over the four-year period immediately preceding the specific financial year (2024) was EUR 100 million or less;
2. The Company does not have any employees whose variable remuneration does not exceed EUR 50,000 per year and/or employees whose variable remuneration would constitute at least one quarter of the total annual remuneration of the said person.

2. EQUITY STRUCTURE

The Company discloses information about the Company's own funds requirements based on Article 50 of IFR:

1. a summary of how the Company assesses the adequacy of internal capital to support current and planned operations;
2. equity requirements as of 31.12.2025;
3. K-factor requirements, aggregated for RtM, RtF and RtC, based on the sum of the applicable K-factors;
4. fixed overhead requirement.

According to Regulation (EU) of the European Parliament and Council No. 2019/2033 (November 27, 2019) on prudential requirements for investment brokerage companies (amends Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014) (hereinafter - IFR), and the relevant regulatory technical standards developed by the European Banking Authority (hereinafter - EBA) (EBA/RTS/2020/11), the Company is obliged to comply with certain capital and liquidity requirements and quarterly inform the Bank of Latvia in this regard, as well as provide information in the annual report. According to the IFR, the Company is classified as an investment brokerage company, which is not considered a small and unrelated investment brokerage company (class 2). Under the IFR, the minimum capital requirement is the greater of the following values: - fixed overhead requirement - permanent minimum capital requirement - K-factor requirement.

According to the requirement of fixed overhead expenses, the Company must provide such amount of capital equal to at least a quarter of its fixed overhead expenses in the previous year or foreseen overhead expenses, if the investment brokerage company has not conducted any transactions for one year.

In accordance with the conditions of the Company's license, the permanent minimum capital requirement for the Company's equity is EUR 150,000. The K-factor requirement corresponds to the amount of capital required to cover the risks associated with clients, the market and the investment brokerage company in accordance with the provisions of the IFR.

According to the calculations, the largest of the above values is the fixed overhead requirement, which was EUR 303,018 in December 2025. According to the capital calculation presented below, the company's capital is compliant with the requirements as of December 31, 2025.

	31.12.2025, EUR	31.12.2024, EUR
Equity	668,455	344,020
Tier 1 capital	668,455	344,020
Tier 1 equity	668,455	344,020
Fully paid equity instruments	758,000	758,000
Share premium	222,000	222,000
Retained earnings	55,267	(452,091)
Retained earnings of the previous years	(452,091)	(556,003)
(+) Profit for the current fiscal year	507,358	103,912
(-) Total deductions from Tier 1 equity	(366,812)	(183,889)
(-) Losses of the current financial year	-	-
(-) Other intangible assets	(366,812)	(183,889)
Tier 1 additional capital	-	-
Tier 2 capital	-	-

Equity requirements

	31.12.2025, EUR	31.12.2024, EUR
Equity requirement (the greater of the values of (A), (B), and (C))		
(A) Permanent minimum capital requirement	150,000	150,000
(B) Fixed overhead expenses requirement	303,018	176,702
(C) Total K-factor requirement	20,860	10,358

K-factor requirement

K-factor requirements, which are aggregated for market risk (RtM), firm risk (RtF) and client risk (RtC), based on the sum of the applicable K-factors.

The Company's K-factor is calculated as the moving average of the monthly value of client assets held by the Company, multiplied by the coefficients specified in the IFR.

	Factor amount (EUR)	Coefficient	K-factor requirement (EUR)
(C) K-factor requirement			20,860
Risk to the customer (C1)+(C2)+(C3)+(C4)			20,860
(C1) Assets under management	3,129,079	0.02%	626
(C2) Assets held and managed	37,151,579	0.04%	14,861
(C3) Customer funds held in segregated accounts	1,297,150	0.40%	5,189
(C4) Client assets held by the company	184,397	0.10%	184

Fixed additional expenses

	31.12.2025, EUR	31.12.2024, EUR
(B) Fixed overhead expenses requirement	303,018	176,702
Annual fixed additional expenses for the previous year, after profit distribution	1,212,072	706,807
Annual fixed additional expenses for the previous year, after profit distribution	1,212,072	706,807
Total expenses for the previous year, after profit distribution	-	-
(-) Total deductions	-	-
(-) Split commission fees	-	-
Planned fixed overhead costs for the current year	1,927,896	1,212,072
Change in fixed overhead costs (%)	25%	25%

3. RISK MANAGEMENT

In accordance with the provisions of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, Directive (EU) No. 2019/2034 of the European Parliament and of the Council of 27 November 2019, Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of 27 November 2019 and Regulation of the Bank of Latvia No. 375 of 16 December 2024, the Company has developed an internal control system for identifying and managing the Company's significant risks.

The most significant risks that may affect the Company's operations are:

- liquidity risk,
- credit risk;
- operational risks – risk of dependence on external service providers, platform and technology risk;
- regulatory and compliance risks – regulatory compliance risk, reputational risk;
- strategic and business model risks – macroeconomic and geopolitical risk, concentration risk.

The objectives of the Company's risk strategy are:

- ensure financial stability and protect the Company from adverse events;
- maintain compliance with all binding regulatory enactments and requirements of supervisory authorities;
- support strategic decision-making and long-term growth;
- maintain business continuity even during internal/external disruptions;
- protect the interests of investors by adhering to a transparent and risk-aware management culture.

The Company's Risk Management Policy specifies the following responsibilities:

- The Board ensures that risk management is aligned with the Company's strategic objectives;
- The compliance officer monitors regulatory compliance issues and ensures that the Company adheres to risk management procedures;
- the risk management function develops and implements risk control measures, reports risks to senior management and coordinates risk mitigation strategies;
- All employees are responsible for identifying, escalating and managing risks within their area of responsibility.

Money laundering and terrorist financing risks are managed by the Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) function, which operates independently and in accordance with separate policies and procedures. Other functions of the Company do not interfere with the operations of the AML/CFT function, ensuring its independence in decision-making and risk assessment.

Liquidity risk

Liquidity risk is the risk that the Company might not be able to meet its payment obligations within certain deadlines.

Liquidity risk is mainly controlled by the Company by cash flow planning and matching the expenses with revenues and availability of financial resources.

Analysis of the Company's assets and liabilities term structure as of December 31, 2025:

ASSETS	Claims	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	5- years	Total
Claims against credit institutions	378,036	-	-	-	-	-	-	378,036
Trade receivables	-	273,147	-	-	-	-	-	273,147
Deposit	-	-	-	-	-	10,285	-	10,285
Other assets	31,699	843	2,218	-	12,427	148	-	47,335
Intangible assets	-	-	-	-	-	73,366	660,294	733,660
Other fixed assets and inventory	-	-	-	-	-	2,591	5,180	7,771
Investments in subsidiaries	-	-	-	-	-	-	22,400	22,400
Total	409,735	273,990	2,218	-	12,427	86,390	687,874	1,472,634

LIABILITIES	Claim	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	5- years	Total
Accounts payables	-	-	79,008	-	-	-	-	79,008
Amounts owned to employees	-	27,092	-	-	-	-	-	27,092
Taxes	-	38,911	-	-	-	-	-	38,911
Accrued liabilities to employees	25,002	-	-	-	-	-	-	25,002
Loans	-	8,000	-	-	-	-	-	8,000
Other accrued liabilities	-	613	258,741	-	-	-	-	259,354
Total								
NET ASSETS	Claim	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	5- years	Total
Total	25,002	74,616	337,749	-	-	-	-	437,367

The company also determines the minimum level of liquidity in accordance with the European Parliament and Council Regulation (EU) No. 2019/2033 (November 27, 2019) on prudential requirements for investment brokerage companies (amends Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014) (hereinafter - IFR), and the relevant regulatory technical standards developed by the European Banking Authority (hereinafter - EBA) (EBA/RTS/2020/11).

The company's liquid assets are:

- claims against credit institutions (in the amount of 100%);
- accounts receivables (in the amount of 50%)
- claims against electronic money institutions (in the amount of 50%).

Calculation of the liquidity requirement at the end of the reporting period in accordance with the IFRS requirements:

	31.12.2025, EUR
Liquidity requirement	101,006
Liquid assets total, incl.	514,610
Unencumbered short-term deposits	378,036
Total maturity of eligible receivables within 30 days	136,574

Credit risk

Credit risk is the possibility of losses if the Company's business partners do not fulfil their financial obligations to the Company.

At the end of the reporting period, the following maximum credit risk was identified according to the net book value of the items exposed to this risk:

	31.12.2025, EUR	31.12.2024, EUR
Claims against credit institutions	378,036	87,640
Accrued income	-	64,239
Trade receivables	273,147	185,932
Deposit	10,285	7,865
Total	661,468	345,676

The company controls credit risk by monitoring accounts receivable balances to minimize the occurrence of outstanding or irrecoverable debts.

The company's funds are held in the credit institutions of Latvia, which was recognized by the Bank of Latvia at the end of last year, in accordance with the Law on Credit Institutions, that the bank meets the status of the systemically important financial institution.

Transaction partners make payments before due date or with minimal delay.

Risk of dependency on external service providers

The company relies on several third-party service providers to perform critical functions, including:

- payment service providers for settlements with issuers, loan originators and investors;
- cloud and infrastructure service providers for platform availability;
- legal, audit and IT support service providers for consulting and technical activities.

Malfunctions, inadequate performance, or non-compliance with requirements by these service providers can directly impact the company's ability to operate smoothly, maintain compliance with the regulatory enactments, or fulfil contractual obligations.

The company conducts thorough research before attraction of the critical service providers. Service level agreements and termination clauses have been concluded with key suppliers. Providers of critical services are periodically monitored to ensure continued performance and compliance. Contingency plans are being developed for replacement or replacement in the event of service disruption.

Concentration risk

Concentration risk is the risk that the Company will suffer losses due to the fact that relatively large transactions are carried out for individual clients or groups of related clients.

The risk of concentration in the Company's operation mainly refers to the Company's revenues and the holding of clients' funds.

The Company tries as far as possible to prevent the concentration of transactions on individual business partners to prevent the risk of concentration.

Macroeconomic and geopolitical risk

Macroeconomic and geopolitical risk refers to the potential impact of external global or regional economic, political or regulatory changes on the Company's operations, investor attitude and platform activity. Examples include rising inflation, changes in interest rates, tighter regulations, geopolitical instability (such as wars or sanctions), or changes in investors' risk appetite due to global economic uncertainty. These risks may affect the ability of issuers and loan originators to raise capital or meet obligations, and may also affect the inflow of investors to the platform.

The company maintains a conservative financial position with sufficient equity. Communication with investors is transparent, including clear risk disclosures in prospectuses and offering documents. Issuers and loan originators are selected based on financial stability, and the Company regularly monitors their performance in the Credit Committee. The company follows the development of regulatory enactments at the EU and Latvian levels and adjusts processes accordingly. Scenario analysis is periodically applied to assess the impact of external shocks.

Platform and technology risk

This risk relates to failures, inadequate performance or instability of the Company's investment platform or related technologies, including:

- platform outages during peak hours;
- transaction errors or slow processing;
- integration errors between internal and third-party systems;
- limited scalability in case of increased user or transaction volume.

Such events may undermine investor confidence and affect the completion of transactions. All versions of technological systems undergo pre-implementation testing in a separate environment. Monitoring tools track platform uptime in real time and transaction success rates. Performance is reviewed after each major system update or integration. Escalation and technical support procedures have been implemented and are continuously improved to ensure business continuity. The system architecture is designed with cloud-based scaling capabilities to absorb transaction growth.

Regulatory compliance risk

The risk relates to the failure to comply with applicable laws, regulations, internal policies or instructions of the supervisory authorities, which may result in fines, supervisory sanctions, reputational damage or restrictions on the Company's licenses and operations.

The company is strengthening its internal capacity in the field of compliance and risk management by hiring new employees. Develops and implements a compliance improvement plan, which includes improvement of the internal policies and procedures, and ensures their regular review and update.

Reputational risk

Reputational risk is important in the development of the Company's operations.

As one of the biggest steps in improving the reputation, the Company has become a regulated financial market participant by receiving an investment brokerage company license.

In mitigating reputational risk, special attention is paid to in-depth research and continuous monitoring of credit issuers.

AML risk

AML (hereinafter - AML) risk is the risk that the Company may be used in money laundering or terrorism and proliferation financing in connection with the investment services it provides.

The Company has developed, approved by the Bank of Latvia, and is adhering to strict procedures for managing AML/CFT risk, compliance with economic and financial sanctions, national and international sanctions, or collectively referred to as sanctions, in accordance with the regulatory enactments of the Republic of Latvia, the European Union, and international AML/CFT and sanctions.

4. IMPORTANT ACCOUNTING PRINCIPLES

Principles of financial statement preparation

The Company's financial statements have been prepared on the basis of accounting records that comply with the requirements of the regulatory enactments, in accordance with the International Accounting Standards (hereinafter – IAS) issued by the International Accounting Standards Board, IFRS Accounting Standards and interpretations of the standards of the International Financial Reporting Interpretations Committee, which have been approved by the European Commission and published in the "Official Journal of the European Union" (hereinafter – IFRS), as well as the regulatory enactments of the Republic of Latvia regulating accounting, including the Bank of Latvia Regulation No. 326 "Regulations on the Annual and Consolidated Annual Reports of Credit Institutions, Investment Brokerage Companies, Investment Management Companies and Private Pension Funds".

The financial report has been prepared on a going concern and precautionary basis.

The financial report is prepared in accordance with the basic principle of initial value accounting.

The currency used in the financial statements is EUR (Euro).

The financial statements cover the period from 1 January 2025 to 31 December 2025.

The comparative reporting period covers the period from 1 January 2024 to 31 December 2024.

Application of International Financial Reporting Standards

These financial statements of the Company have been prepared in accordance with IFRS.

The company has applied all relevant IFRS, including:

- 7 IFRS "Financial Instruments: Disclosures";
- 9 IFRS "Financial Instruments";
- 12 IFRS "Disclosure of Interests in Other Entities";
- 15 IFRS "Revenue from Contracts with Customers";
- 16 IFRS "Leases".

Changes in Accounting Policies

a) New standards, interpretations and amendments that became effective from 1 January 2025.

The following amendments are effective for the period beginning on 1 January 2025:

- Exchange rate mismatch (Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates). On 15 August 2023, the IASB issued amendments to Exchange Rate Mismatches, which amended IAS 21 – The Effects of Changes in Foreign Exchange Rates. The amendments introduce requirements to assess when a currency is convertible into another currency and when it is not convertible. The amendments require that if an entity concludes that a currency is not convertible into another currency, the spot exchange rate must be estimated.

These amendments did not impact the Company's separate financial statements.

The following illustrative examples were issued in 2025 and have no effective date:

- Illustrative examples of the representation of uncertainty in financial statements. On 28 November 2025, the IASB issued Disclosures about Uncertainty in Financial Statements – Illustrative Examples, which amended several IFRS accounting standards, by including illustrative examples that demonstrate how entities can apply IFRS accounting standards by reflecting the effects of uncertainty in their financial statements. The illustrative examples are supplementary material to IFRS accounting standards and do not have an effective date. The IASB had published a near-final draft of these illustrative examples in July 2025.

The Company has taken these illustrative examples into account when prepared the separate financial statements and no additional disclosures or changes to the presentation of the statements were deemed necessary.

b) New standards, interpretations and amendments that are not yet effective.

There are several amendments and interpretations to IFRS accounting standards that have been issued but are not yet effective for current accounting periods. The company has decided not to apply them early.

The following amendments will enter into force in the reporting period beginning on 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures)
- Contracts relating to nature-dependent electricity (Amendments to IFRS 9 and IFRS 7)

The following amendments will enter into force in the reporting period beginning on 01 January 2027:

- 18 18 – Presentation and Disclosure of Financial Statements
- 19 19 – Non-public Subsidiaries: Disclosure The Company is currently assessing the impact of these new accounting standards and amendments.

18 18 – Presentation and Disclosure of Financial Statements.

This standard, issued by the IASB in April 2024, replaces IAS 1 and makes significant changes to IFRS accounting standards, including IAS 8 – Fundamental Principles of Financial Reporting (previously known as Accounting Policies, Changes in Accounting Estimates and Errors). Although IFRS 18 will not affect the recognition and measurement of items in the Company's separate financial statements, it is expected to have a significant impact on the presentation and disclosure of certain items. These changes include the introduction of categories and subtotals in the income statement, changes in the principles of grouping/disaggregating and labelling information, as well as Company does not expect the disclosure of performance indicators determined by management that it will be eligible to apply IFRS 18.

Transactions in foreign currencies

Transactions in foreign currency are revalued in EUR according to the foreign exchange rate used in accounting, which is valid at the beginning of the day of the economic transaction.

At the end of the reporting period, the foreign currency balances of assets and liabilities are converted into EUR according to the foreign exchange rate used in accounting, which is valid at the end of the last day of the reporting year.

The foreign exchange rate used in accounting is the Euro reference rate published by the European Central Bank, but if a specific foreign currency does not have a Euro reference rate published by the European Central Bank, the foreign exchange market rate against the Euro published in a periodical or on its website of a financial information provider recognized by the global financial market is used.

Profits or losses resulting from fluctuations in foreign exchange rates are reflected in the income statement for the relevant period.

At the end of this reporting period, the Company had no assets or liabilities in foreign currencies.

Revenue and expenses recognition

The company operates the investment platform Debitum and its revenue consists of commission fees charged to credit issuers for placing assets on the platform.

Commission revenue is recognized on an accrual basis, following a five-step model: identifying the contract with the customer, identifying the performance obligations contained in the contract, determining the transaction price, allocating the transaction price to the performance obligations, and

recognizing revenue when the relevant performance obligation is satisfied.

The Company's primary performance obligation is to provide credit issuers with access to the platform and the ability to place assets on the platform. This obligation is fulfilled over time by ensuring continuous access to the platform services.

Commission fees for the use of the platform are determined in accordance with the agreements concluded with platform users and are recognized as revenue in the period in which the service is provided. Commission fees are usually calculated and charged monthly for services provided during the relevant period.

Revenues from overdue fees are recognized in the reporting period when they are received.

Revenues and expenses are recognized on an accrual basis.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

The following financial assets have been recognized in these financial statements of the Company:

- cash;
- equity instruments of another company;
- the right to receive money or other financial assets from another company defined in the contract.

The following financial liabilities have been recognized in these financial statements of the Company:

- the contractual obligation to transfer money or other financial assets to another company.

According to IFRS 9 "Financial instruments" financial assets and financial liabilities in the reporting period are accounted at amortized cost.

Claims against credit institutions

The item "Claims against credit institutions" includes all requests that have arisen in transactions with credit institutions and which can be satisfied without prior request or the request deadline is 24 hours or one working day.

Cash equivalents

Cash equivalents in the cash flow statement are claims against electronic money institutions that can be satisfied without prior request or within 24 hours or one business day.

Intangible assets

Intangible assets are recorded at their original cost, which is amortized over the estimated useful lives of the assets using the straight-line method.

Intangible assets also include the costs of creating intangible assets for software development. Costs are capitalized only if they meet the criteria specified in IAS 38 "Intangible Assets".

The Company has applied an amortization rate of 20% and 10% per year to the intangible investments.

Receivables

Accounts receivable are accounted at the amount of original invoices, less accruals for doubtful accounts receivable. Accruals are made when collection of the full amount owed is doubtful. Debts are written off if their recovery is considered impossible.

Future costs

The future costs included in the item “Financial assets measured at amortized cost” are payments made in the reporting year, but the use of expenses is attributable to future reporting years.

The balance of the balance sheet asset is valued in the amount that is the expected economic benefit in the following accounting periods.

Accrued income

Accrued income included in the item “Financial assets measured at amortized cost” is commission income for services provided in the reporting period, but for which supporting documents are drawn up in the next reporting period.

Servicing assets and liabilities

Servicing assets are loans that non-bank lenders (credit issuers) have placed on Debitum platform and in which investors have made investments, as well as other assets that cover investors' funds.

Servicing liabilities are investment amounts owed to the investor.

Considering that SIA DN Operator as the Platform operator does not take credit risks related to these assets or liabilities, but only earns commission revenues for their servicing, referring to the requirements of regulatory enactments, these assets and liabilities are accounted on off-balance accounts and are not reflected in the balance sheet of this financial statement and only additional information is specified to provide a true and clear picture of the Company's activities.

Leases

The Company has office rent contract, however, taking into account the terms of the contract, it is considered a short-term contract, therefore the Company applies exemption specified in IFRS no. 16 "Leases" to recognize the right to use an asset in the balance sheet.

The company recognizes lease payments as expenses throughout the term of the contract.

Share capital

As of 31 December 2025, the registered and fully paid share capital was EUR 758,000 and the share premium was EUR 222,000. It consisted of 15,160 ordinary shares, each with a nominal value of EUR 50.

Related parties

Related parties are individuals or legal entities who are related to the Company, in accordance with the provisions below.

An individual (or their relative up to the third degree, or spouse, or a person related by marriage up to the second degree to this individual) is related to the reporting entity if this person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a senior management representative of the reporting entity or the reporting entity's parent company.

A legal entity is related to the reporting entity if any of the following conditions are met:

- the legal entity and the reporting entity belong to the same group of companies (meaning that every parent company, subsidiary and related company are interconnected);
- one company is an associate or joint venture of the other company (or an associate or joint venture of a related company of the group to which the other company belongs);
- both companies are joint ventures of the same third party;

- one company is a joint venture of a third company, and the other company is an associate of the third company;
- under the control of legal entities or under the common control of an individual (or his/her relative up to the third degree, or spouse, or a person related by marriage up to the second degree to this individual) related to the reporting entity;
- An individual (or their relatives up to the third degree, or spouse, or those in the family of this natural person up to the second degree) related to the reporting entity has significant influence in the company, or is a representative of the senior management of the company (or the parent company of this company);
- The company or a member of the group to which it belongs provides senior management services to the reporting entity or the reporting entity's parent company.

Investments in subsidiaries

Investments in subsidiaries (i.e. companies in which the Company owns more than 50% of the share capital or which it controls in some other way) and associates (i.e. companies in which the Company has significant influence but does not own a controlling stake in shares/capital, in which it owns 20-50% of the share capital) are booked using the cost method. After initial recognition, investments in subsidiaries and associates are carried at their original cost, less impairment losses. If any events or changes in circumstances indicate that the carrying amount of investments in subsidiaries and associates may not be recoverable, the value of the relevant investments in subsidiaries and associates is reviewed to determine their impairment.

The Company recognizes income from participations only to the extent that the Company receives its share of the accumulated profits of the subsidiary or associate that are earned after the date of acquisition of the shares/capital. The portion of profit received that exceeds such profit is considered a recovery of investment and is booked as a reduction in the initial value of the investment.

Corporate income tax

According to the "Corporate Income Tax Law" of the Republic of Latvia, corporate income tax is paid on distributed profits and conditionally distributed profits at the rate of 20%, applying a coefficient of 0.8 to the tax object.

Corporate income tax on the payment of dividends is recognized in the consolidated income statement as a cost in the accounting period when the participant makes a decision on the payment of dividends.

Corporate income tax on conditionally distributed profits is recognized in the consolidated income statement at the moment when the costs are incurred within the reporting year.

Events after the end of the reporting period

The financial report reflects such events after the end of the reporting year, which provide additional information about the Company's financial condition at the date of preparation of the balance sheet (corrective events).

If the events after the end of the reporting year are not corrective, they are reflected in the notes to the financial statement only if they are material.

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

5.1. Commission income

Commission income consists of the fee that credit issuers pay for placing assets on Debitum platform. The geographical distribution of commission income was as follows:

	2025, EUR	2024, EUR
Latvia	2,200,633	1,017,105
UK	190,848	273,239
Estonia	23,232	11,490
Total	2,414,713	1,301,834

5.2. Other operating income

	2025, EUR	2024, EUR
Other operating income	20,541	14,150

5.3. Other operating expenses

	2025, EUR	2024, EUR
Marketing expenses*	578,329	335,576
Salary	248,785	112,495
Depreciation	83,111	62,059
Mandatory State Social Insurance Contributions	58,908	26,538
Provisions for unused vacation, incl. Mandatory State Social Insurance Contributions	6,514	2,394
Other operating expenses	37	22
Total	975,684	539,084

* The increase in costs 2025 is due to the growth of the total portfolio, which increased by 95% over the course of the year.

5.4. Administrative expenses

	2025, EUR	2024, EUR
Platform maintenance expenses*	317,802	208,099
Other administrative expenses	221,831	97,411
Salary	197,970	227,512
Legal expenses	78,510	38,499
Office expenses	47,893	20,541
Mandatory State Social Insurance Contributions	46,803	53,670
Bank commission	17,804	6,007
Audit expenses	16,980	19,564
Provisions for unused vacation, incl. Mandatory State Social Insurance Contributions	4,509	(583)
Penalties	1,313	1,019
Total	951,415	671,739

* The total portfolio has increased by 95%, and as a result, the platform's maintenance costs, customer research costs, and other costs related to main activity have also increased.

6. NOTES TO THE STATEMENT OF FINANCIAL POSITION

6.1. Financial assets accounted at amortized cost

	31.12.2025, EUR	31.12.2024, EUR
Trade receivables	273,147	185,932
Other assets	31,800	16,584
Provisions	15,535	13,061
Deposit	10,285	7,865
Accrued income	-	64,239
Total	330,767	287,681

6.2. Investments in subsidiaries

In accordance with the operation model of the investment brokerage company agreed with the Bank of Latvia, the Company has the following subsidiaries, the purpose of which is to issue financial instruments.

Full name of the subsidiary	Reg. No.	Address	Percentage of shares, EUR in share capital	Retained earnings / (losses) from previous years	Profit/(loss) of the current fiscal year*
SIA DN Funding Alpha	40203327 498	Dzirnavu Street 67, Riga, LV- 1011	100%, 2,800 EUR	(1,586)	(720)
SIA DN Funding Beta	40203380 249	Dzirnavu Street 67, Riga, LV- 1012	100%, 2,800 EUR	(990)	85
SIA DN Funding Delta	40203385 373	Dzirnavu Street 67, Riga, LV- 1013	100%, 2,800 EUR	(805)	20
SIA DN Funding Gamma	50203385 591	Dzirnavu Street 67, Riga, LV- 1014	100%, 2,800 EUR	(805)	20
SIA DN Funding Epsilon	40203466 532	Dzirnavu Street 67, Riga, LV- 1015	100%, 2,800 EUR	6	(117)
SIA DN Funding Zeta	40203526 691	Dzirnavu Street 67, Riga, LV- 1016	100%, 2,800 EUR	(2,752)	(6,135)
SIA DN Funding Eta	40203587 516	Dzirnavu Street 67, Riga, LV- 1017	100%, 2,800 EUR	-	(127)
SIA DN Trustee	40203587 465	Dzirnavu Street 67, Riga, LV- 1018	100%, 2,800 EUR	-	(66)

* Unaudited data.

6.3. Intangible assets, other fixed assets, and inventory

	Intangible assets	Other fixed assets and inventory	Total
31 December 2023	447,519	9,325	456,844
Purchase	206,680	3,115	209,795
Depreciation	(57,051)	(4,000)	(61,051)
Write-off	-	(1,007)	(1,007)
31 December 2024	597,148	7,433	604,581
Purchase	214,500	5,461	219,961
Depreciation	(77,988)	(5,123)	(83,111)
31 December 2025	733,660	7,771	741,431

6.4. Financial liabilities accounted at amortized cost

	31.12.2025, EUR	31.12.2024, EUR
Other liabilities	155,621	-
Accrued liabilities	128,122	59,732
Accounts payables	79,008	79,444
Taxes	38,911	48,607
Payroll	27,092	18,456
Loans*	8,613	268,154
Total	437,367	474,393

*Short-term loans received from related companies as of 31.12.2025, total amount 8,613 EUR.

DN Funding Beta SIA contr. No. 22082024 with an annual interest rate of 7%, maturing on 31.01.2026.

DN Funding Gamma contr. No. 03092024 with an annual interest rate of 5%, maturing on 31.01.2026.

DN Funding Delta contr. No. 03092024 with an annual interest rate of 5%, maturing on 31.01.2026.

6.5. Paid share capital

The Company's share capital as of 31 December 2025 is EUR 758,000 and the share premium is EUR 222,000. Consists of 15,160 shares. The nominal value of one share is 50 EUR.

The share capital of the company is fully paid.

7. NOTES TO OFF-BALANCE SHEET ITEMS

Serviced assets are loans placed on the Debitum platform by non-bank lenders (credit issuers) and in which investors have made investments, as well as other assets that cover investors' funds.

Servicing liabilities are investment amounts owed to the investor.

Considering that SIA DN Operator as the Platform operator does not take credit risks related to these assets or liabilities, but only earns commission revenues for their servicing, referring to the requirements of regulatory enactments, these assets and liabilities are accounted on off-balance accounts and are not reflected in the balance sheet of this financial statement and only additional information is specified to provide a true and clear picture of the Company's activities.

Platform funds balance sheet:

Off-balance (servicing) assets	31.12.2025, EUR	31.12.2024, EUR
Claims against credit issuers for investments in assignment agreements	2,005,994	2,005,994
Claims against credit issuers for financial instruments EUR	51,291,553	25,309,915
Claims against credit issuers for accrued interest and fines	185,388	124,373
Current settlements with credit issuers*	25,370	175,429
Other current settlements	14,085	-
Cash in bank	3,417,083	1,468,843
Off-balance assets total	56,939,473	29,084,554

Off-balance (servicing) liabilities	31.12.2025, EUR	31.12.2024, EUR
Free balance of investor contributions	2,154,978	1,374,692
Investments in assignment agreements	2,005,994	2,005,994
Investments in financial instruments	51,291,553	25,309,915
Unprocessed user contributions and withdrawal requests	211,696	205,594
Current liabilities to credit issuers**	1,057,619	45,198
Taxes	32,245	18,788
Accrued interest and penalties	185,388	124,373
Off-balance liabilities total	56,939,473	29,084,554

* Settlement status of claims against the credit issuers according to the investment reports and investment repayments.

** Settlement status of liabilities against the credit issuers according to investment reports and investment repayments.

8. OTHER INFORMATION

Average number of employees

In 2025, the average number of Company employees was 12 (in 2024, 10 employees).

Remuneration of the sworn auditor

The sworn auditor's remuneration calculated for the audit of the annual report 2025 is EUR 10,900 (2024: EUR 10,000).

Board remuneration and transactions with board members

In 2025, the remuneration of the board is 171,777 EUR (2024: 138,770 EUR).

Other transactions – vehicle lease agreement, lease fee for 2025 is 2,000 EUR.

Taxes

	Corporate income tax	Income tax	Mandatory state social insurance contributions	Risk fee	Value added tax
31 December 2023	19	4,877	10,278	3	6,295
Calculated	1,249	65,031	115,908	42	178,138
Calculated late payment fees	9	989	-	-	-
Paid	(899)	(62,892)	(113,864)	(40)	(154,005)
Paid late payment fees	(9)	(989)	-	-	-
31 December 2024	369	7,016	12,322	5	30,428
Calculated	797	81,447	152,654	55	168,899
Calculated late payment fees	8	13	-	-	64
Paid	(761)	(75,727)	(145,227)	(55)	(190,831)
31 December 2025	413	12,749	19,749	5	8,560

Transactions with related parties

According to IAS 24 "Disclosure of information about related parties", the Company has identified several related individuals and companies.

The financial report includes the following transactions and balances with related companies:

	Transactions		Balance	
	31.12.2025, EUR	31.12.2024, EUR	31.12.2025, EUR	31.12.2024, EUR
Commission revenue	376,528	875,330	19,732	204,642
Financial assets accounted at amortized cost	464,656	1,052,130	-	-
Participation in the capital of related companies	-	5,600	22,400	22,400
Loans received	-	238,000	8,000	8,000
Financial liabilities accounted at amortized cost	459	238,154	613	154

Events after the reporting period

During the period between the last day of the reporting year and the day on which the management signs the annual report, there were no significant or extraordinary circumstances that would affect the annual results and the financial position of the company.

Chairman of the board Salmins Ingus [*Salmiņš Ingus*]
Member of the board Putna Anatolijs [*Putņa Anatolijs*]
Member of the board Birkova Justine [*Birkova Justīne*]

Chief Accountant Sarmite Darzina [*Sarmīte Dārziņa*]

The document is signed with a secure electronic signature and contains a time stamp.