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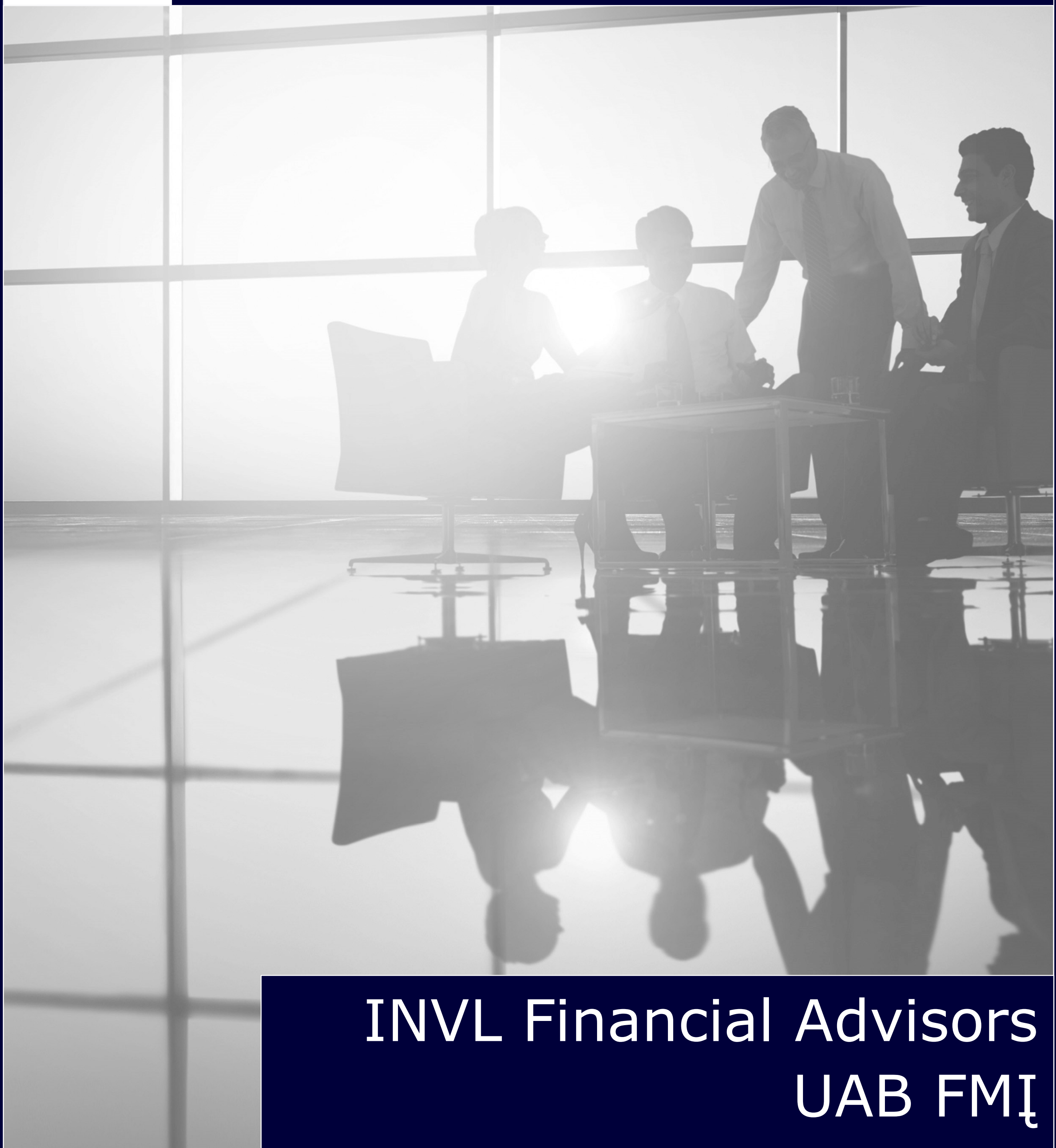

INVL Financial Advisors UAB FMĮ

ANNUAL MANAGEMENT REPORT AND FINANCIAL STATEMENTS FOR 2024 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION, PRESENTED TOGETHER WITH THE INDEPENDENT AUDITOR’S REPORT

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Independent Auditor's Report

To the shareholders of INVL Financial Advisors UAB FMĮ

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of INVL Financial Advisors UAB FMĮ ("the Company"). The Company's financial statements comprise:

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Company code: 111494971
VAT code: LT114949716

Revenue recognition

See Note 3.9 "Revenue recognition" and Note 4 "Sales".

The key audit matter	How the matter was addressed in our audit
In the year ended 31 December 2024, the Company earned revenue of EUR 3,754 thousand (2023: EUR 4,071 thousand). The revenue was derived from the following primary sources: — commissions on transactions carried out on behalf of clients; — commissions on client assets under management; — safekeeping of securities; — revenue from fund managers; — fees from distribution of funds. Commissions related to transactions carried out on behalf of clients and fees from distribution of funds are recognised at a point in time when a service is provided. Revenue from commissions on client assets under management, safekeeping of securities and from fund managers is recognised over time when a service is being provided. Significant judgement of management is required when determining whether performance obligations are satisfied over time or at a point in time. Significant audit effort was required due to the significance of revenue amounts. Accordingly, we have identified this area as a key audit matter.	Our audit procedures included, among others: — We obtained an understanding of the Company's revenue recognition process, and tested the design and implementation of the selected key internal controls therein; — We critically assessed the Company's revenue recognition policy for compliance with relevant provisions of the financial reporting standards; — For a sample of contracts with customers, we inspected underlying contractual provisions and made inquiries of the Management and relevant finance personnel, in order to challenge: • point-in-time versus over time satisfaction of the performance obligations; • whether the above revenue transactions are recognised in the appropriate reporting period and in appropriate amounts, by reference to underlying documentation, including invoices, bank payments and contracts signed. — For a sample of the Company's clients, we obtained confirmations of the amounts due therefrom as at 31 December 2024 and turnover for the year then ended; — For a sample of the Company's clients, we traced the fee rates used to those prescribed in the contracts, and independently estimated the commission income from the management of clients' assets by applying those fee rates to the values of the assets managed by the respective individuals, and tracing the amounts of income with the payments received from clients; — We examined whether the Company's revenue recognition-related disclosures appropriately include and describe the relevant quantitative and qualitative information required by the applicable financial reporting framework.

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Accounting for bonuses

See Note 3.12 "Bonuses", Note 7 "Operating expenses", Note 15 "Reserves" and Note 20 "Provisions, off-balance sheet commitments and contingencies".

The key audit matter	How the matter was addressed in our audit
In 2024, bonus costs amount to EUR 699 thousand (2023: EUR 820 thousand); as at 31 December 2024: share-based payment reserve amounts to EUR 292 thousand (31 December 2023: EUR 117 thousand), deferred not recognised part of unrecognised bonuses: EUR 473 thousand (31 December 2023: EUR 252 thousand). In accordance with the Company's remuneration policy, certain of its employees are entitled to bonuses, depending on their performance and the Company's results. Bonus or its part can be paid/granted in cash or in the form of additional contributions to a private pension fund or as share options. For employees responsible for making decisions related to assuming the risks, a bonus is allocated proportionally and paid/granted over the subsequent 3–5 years, provided that the employee remains in the Company. In December 2024 the Company agreed with certain employees on the terms of a new type of share option to acquire the Company's shares. Therefore, there are now two share option programs with different set ups related to shares of parent company INVL AB and shares of the Company. For the share option programs significant judgment is required in estimating the fair values, using the Black-Scholes model, which requires determination of the key inputs to the model, such as the risk-free rate, volatility, dividend rate, as well as share price. The Management also applies significant judgment to determine the related grant date, vesting conditions, service period, expected leavers as well as Company's economic performance indicators. Due to the above factors as well as the magnitude of the amounts involved, we considered accounting for share-based payment arrangements to be associated with a significant risk of material misstatement. As such, it required our increased attention in the audit and determined by us to be a key audit matter.	Our audit procedures included, where applicable, with the assistance form our own valuation specialists, among others: — We obtained an understanding of the employee remuneration process and tested the design and implementation of the selected key controls therein; — We inspected the key terms of the remuneration policy, other relevant internal policies, and share option plans, and critically assessed the Company's accounting policy for share-based payment arrangements against the requirements of the relevant financial reporting standards; — We assessed the appropriateness of the option pricing model used to determine the fair value of the options granted against the requirements of the financial reporting standards and accepted market practice; — We traced the number of share options granted in 2024 to the minutes of Management Board's meetings and agreements with employees (if any); — Considering the results of the above procedures, as well as corroborating inquiries of the Management, we challenged the key judgements and assumptions applied in accounting for the amount of bonuses and share-based payments, as follows: • grant date – by reference to agreements with employees; • employee service period – by reference to agreements with employees and remuneration policy. — We challenged the key assumptions in the option pricing models, as follows: • risk-free rate – by reference to European Central Bank statistics on AAA-rated euro area central government bonds; • volatility – by reference to publicly available trading history on INVL AB shares and analysing comparable companies for company shares; • stock price – by reference to publicly available trading history on INVL AB shares and applying market approach (comparable companies) on company shares, share grant agreement.

	— We assessed the adequacy of the Company's disclosures in the financial statements related to bonuses and share-based payments against the requirements of the relevant financial reporting standards.

Other Information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Under the decision of the general shareholders' meeting we were appointed on 28 June 2019 for the first time to audit the Company's financial statements for the year 2019. Our appointment to audit the Company's financial statements was renewed in 2023 under the decision of the general shareholders' meeting, and the total uninterrupted period of engagement is 6 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the audit report presented to the Company and its Audit Committee together with this independent auditor's report.

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

In addition to services provided to the Company in the course of audit and disclosed in the financial statements, we have provided translation of the financial statements services to the Company.

On behalf of KPMG Baltics, UAB

Toma Jensen
Partner pp
Certified Auditor

Vilnius, the Republic of Lithuania
31 March 2025

ANNUAL MANAGEMENT REPORT OF INVL FINANCIAL ADVISORS UAB FMĮ FOR 2024

Basic details about the Company

INVL Financial Advisors UAB FMĮ, operating under the INVL Family Office brand (hereinafter – the Company), prepares and updates investment strategies for individual and corporate clients, analyses third-party products and services, represents clients in interactions with the providers of such products and services, and offers inheritance planning and other investment services. The Company was registered on 26 May 2015. The Company was granted a financial brokerage firm licence on 30 November 2015 by resolution of the Board of the Bank of Lithuania.

Registered office address: Gynėjų St. 14, Vilnius. The Company has two branches in Latvia and Estonia. The branch in Latvia was registered on 19 September 2023 with the address: Elizabetes iela 10B-1, Riga. The branch in Estonia was registered on 7 October 2023 with the address: Maakri tn 23a, Tallinn.

Legal form: private limited liability company.

Shareholder: the sole controlling shareholder Invalda INVL AB.

Shares: As at 31 December 2024, the Company's authorised share capital totalled EUR 1,500,000 and it was divided into 15,000 ordinary registered shares with par value of EUR 100 each.

Management of the Company: Asta Jovaišienė, Chief Executive Officer.

Board of the Company: As at 31 December 2024, the Board consisted of:

Andrej Cyba – Chairman of the Board;

Asta Jovaišienė – Member of the Board;

Paulius Žurauskas – Member of the Board (until 27 December 2024).

Objective overview of the Company's financial position, performance and development

The year 2024 was a period of growth, new ideas, and service improvements for the Company.

To achieve long-term success, we consistently strengthened our relationships with existing clients, expanded our client base, and offered even more relevant investment solutions. Commission income from fund managers and on client assets under management increased by 50% compared to 2023, reaching a record high. Although the targets set by the family office were ambitious and the growth rate more moderate than in previous years, this area of activity grew successfully, providing a solid foundation for future expansion.

We focused on developing investment opportunities. Clients actively diversified their portfolios by investing in a new fund, developed in partnership with one of the world's largest private equity fund managers, focused on the energy sector. We also enhanced the efficiency of our family office services and improved the client experience – priorities that will remain central to our strategy in 2025. We are noticing that investor interest in markets outside the Baltic region continues to grow, along with the need for reliable offshore investment structures. For this reason, we are expanding our network of partners and supporting our clients in addressing important challenges. Geopolitical factors, of course, remain a significant influence.

We have continued to develop our family governance and succession solutions, helping Lithuanian families to protect their accumulated wealth and ensure its transfer to future generations.

One of the year's highlights was receiving approval from financial market regulators to provide investment services in Latvia and Estonia, where we have already attracted our first clients.

We also successfully completed the upgrade of our e-portal, enabling clients to monitor their investments more conveniently.

As always, we remained active in the field of financial education. We continued the activities of the Women's Club and the Youth Academy and organised the annual 'Investors' Day' conference. We have kept up-to-date with the latest market trends and participated in various trainings, programmes, and conferences – not only to enhance our own skills but also to contribute to improving public financial literacy.

Client assets held in custody

	31 December 2024	31 December 2023
Clients' funds	5,287,573	4,364,566
Securities kept on behalf of clients	196,339,846	263,004,075
Total client assets held in custody	**201,627,419**	**267,368,641**

Securities kept on behalf of clients (securities) are recognised off-balance sheet as of the settlement date of the respective securities. The value of custodied securities is determined based on observable market prices in active markets, where such markets exist. Investments in collective investment undertakings are recorded based on the most recently published or available net asset value of the respective undertakings. If no active market prices are available – for example, in the case of less liquid securities – the value may be determined by reference to the nominal value of the securities.

Personnel management policy

As at 31 December 2024, the number of the actually working employees (excluding employees on parental leave) of INVL Financial Advisors UAB FMĮ was 45 (31 December 2023: 35). Due to the nature of the INVL Group's business, out of 45 employees, 28 are employed under a multi-employer contract (the main employer of 22 employees is INVL Asset Management UAB). Employees are provided with an opportunity to obtain a financial brokerage or equivalent licence related to their job functions. 57% of employees with INVL Financial Advisors UAB FMĮ as their main employer, i.e. 12 employees, have the financial broker or equivalent licence. Professional development of employees is conducted based upon the needs of employees and development of their mandatory competences. The data in the table below are for employees with INVL Financial Advisors UAB FMĮ as their main employer. The Company has approved the policies with respect to employees whose professional activity and/or decisions made may have a significant impact on the Company's exposure to risks, including the Company's executive employees, members of managerial bodies, employees carrying out control functions (hereinafter jointly "risk-assuming employees") ("the Remuneration Policy") which meet the requirements of the Law on Markets in Financial Instruments of the Republic of Lithuania and other legal acts. As at 31 December 2023, the number of risk-assuming employees, other than those who work 100%, was 23.

The Remuneration Policy is submitted to the Company's Board for approval. Services of external advisers were not used in preparing the Remuneration Policy, there is no contribution from stakeholders. Considering the size of the Company, organisational structure and profile, scope and complexity of activities, the remuneration committee is not formed at the Company. The amount of a monthly service pay to the Chief Executive Officer is set by the decision of the Company's Board, and to all other employees – by the decision of the Chief Executive Officer in accordance with the requirements applicable to the job position as well as the nature of work, qualification and skills of the employee, his/her experience and personal performance. The monthly salaries set for all the Company's employees are set out in employment contracts between the Company and the employee.

The employee's fixed remuneration consists of a monthly service pay, employer's taxes and additional benefits that are allocated to the employee irrespective of his/her performance and paid to all employees who meet the criteria established in accordance with the procedure set at the Company (e.g. pension contributions to voluntary pension funds). In addition to a monthly service pay or remuneration received in other form, an incentive may be paid, i.e. a bonus which is subject to the same procedure which is applied to the variable remuneration part. This procedure is set in the legislation regulating the activities of asset management. The bonus is allocated depending on the fulfilment of the Company's annual business plan and/or budget, fulfilment of annual targets set for the employee's division and/or team and fulfilment of the employee's individual plans and tasks indicated in the employee's individual performance assessment plan. A monthly service pay is established in a manner to ensure proper proportions of a monthly service pay and bonus. A monthly service pay represents a relatively large portion of the employee's overall remuneration thus enabling the Company to implement flexible promotional policies.

The bonus is paid to risk-assuming employees according to the following schedule:

- The portion equal to 60% of the bonus is paid as a lump sum in accordance with the procedure and within the time limits set in the order of the Company's Chief Executive Officer;
- The remaining portion of the bonus (i.e. the remaining 40%) is paid within three years in accordance with the pro rata principle, i.e. the deferred part of the bonus shall be distributed proportionately throughout the deferral period; the payment is not made earlier than one year after the end of the employee's performance assessment. In individual cases the competent body of the Company, which makes a decision on the allocation of the bonus, has the right to decide on a longer deferral period (usually not longer than five years), considering the business cycle of the Company, the type and scope of its activities, risks assumed by the employee and results of activities as well as other important circumstances.

The deferral period specified above does not apply if, in a given year, the bonus allocated to the employee amounts to no more than 25% of the monthly service pay and does not exceed EUR 50,000 gross (before tax). In such cases, the entire bonus is paid in a single instalment. The same procedure is applicable and the bonus is paid to employees who are not considered risk-assuming employees.

The bonus, including a deferred part thereof, can be allocated and/or paid to the employee only if the Company's financial position is sustainable, considering the results of operations of the Company and/or the Company's unit and only in case the results of the employee's annual individual performance assessment are positive. The bonus is allocated without exceeding the Company's annual remuneration pool, subject to the Company's assessment of its performance results and taking into account current and future risks, the cost of capital employed and the cost of maintaining liquidity. In all cases, the estimated fund for bonus payments shall not limit the Company's ability to strengthen its capital base. The principles and models for calculating bonuses are designed to align with the long-term interests of the Company's continuing operations, business strategy, objectives, values, and to promote sound and effective risk management, to prevent conflicts of interest and to ensure that employees are not encouraged to assume unacceptably high risks, and to ensure the principles of investor and client protection while providing services. The individual performance assessment of the employee also takes into consideration non-financial criteria, such as compliance with the Company's internal rules and procedures, communication with customers and investors, observance of rules and professional development, etc. Employees cannot be directly encouraged to sell specific products, to achieve pre-determined turnovers in exchange for a guaranteed bonus. The bonus amount for the Family Office Financial Advisor Team is based on at least three to five years of performance appraisals. If the results of the Company's financial activities of a respective year are negative or the Company fails to achieve the business objectives set, the Company's Chief Executive Officer has the right to make a decision not to pay the bonus or a part thereof, to defer payment or to reduce the amount of the bonus allocated earlier as well as reduce the payment of such amounts previously earned by defining in advance the period of such non-payment, deferral or reduction.

The bonus is usually paid in cash. Given that the Company's average value of on-balance sheet and off-balance sheet assets, calculated over the four-year period preceding the last day of the financial year, does not exceed EUR 100 million, the Company is not subject to the prescribed requirements to grant part of the bonus in financial instruments or make contributions to pension accumulation schemes. However, the Company voluntarily applies deferral of a portion of the variable remuneration (bonus) payment. The abovementioned deferral is also applied when an employee is awarded other incentive measures than a bonus payment in cash.

In 2024, the employment contract of one risk-assuming employee was terminated, and redundancy payment was made.

Bonuses of 2024 will be allocated in 2025, following the approval of the financial statements for 2024.

The distribution of remuneration paid and deferred remuneration in 2024 (only for those employees for whom the Company was the main employer in 2024) is presented below (EUR):

	Number of employees during 2024	**Gross wage in 2024, EUR**		**Remaining allocated variable remuneration, EUR**	
		Fixed remuneration	**Variable remuneration***	**Total**	**Whereof share-based financial instruments**
Company's risk-assuming employees, together with management	8	597,402	304,909	56,526	31,883
Employees	15	468,343	36,618	-	-
Total:	**23**	**1,065,745**	**341,527**	**56,526**	**31,883**

* For the purpose of information disclosure, meets the definition of the bonus, as described above, and comprises the part of bonus allocated for the previous year, which was paid in the financial year

** The allocation of remuneration paid to management and deferred remuneration cannot be disclosed because remuneration was paid to only one member of management

The remaining allocated deferred variable remuneration (bonus) in the table above comprises the entire allocated part of remuneration which was not paid by 31 December 2024. Based on the Company's variable remuneration policy, part of this remuneration was recognised as the Company's costs and liabilities or share-based payment reserve before 31 December 2024. The part of variable remuneration (bonus) calculated for the year 2024 but which will be allocated only after the issue of the financial statements, is not included in the amounts in the table above. More details are provided in Notes 15 and 16 of the financial statements.

The part of variable remuneration for 2023 was allocated in 2024. Reduction of the deferred variable remuneration, by adjusting according to performance results, was not applied during the reporting period.

Variable remuneration (bonuses) is broken down into cash payments and share-based financial instruments.

Description of the Company's exposure to key risks and contingencies

The main risks to which the Company is exposed are credit and counterparty, operational, liquidity, market and business risks. Market risks comprise interest rate risk, foreign exchange rate fluctuations, and equity price fluctuations, while business risks include concentration risk, strategic risk, partner and supplier risk, and talent management risk.

The Company has effective risk management tools in place to properly identify, assess, monitor, and mitigate these risks. The Company's risk management strategy is designed to ensure the stability and profitability of its operations, the protection of client assets, and compliance with legal and regulatory requirements. Details of the individual risks and the main risk management tools are described below.

Credit and counterparty risks. It is a risk that the other party will default on its liabilities to the Company. The Company applies measures to ensure on a continuous basis that transactions are concluded with credible clients and do not exceed the credit exposure limit established. The Company has not issued guarantees to secure the fulfilment of obligations of other parties.

Operational risk. Operational risk is defined as an exposure to potential direct and/or indirect losses that may occur from inadequate or unimplemented internal control processes, errors and/or illegal actions of employees and IT system disruptions or external events. The impact of employee errors or misconduct is managed through the implementation of control procedures and the review of actions and decisions within key business processes, as well as through employee training. Information system outages and cyber risks are managed by engaging third-party IT security services and conducting annual IT security audits, with the results used to implement changes where necessary.

Liquidity risk. It is a risk of failure to fulfil the Company's payment obligations in a timely manner. The Company's policy is to maintain sufficient cash and cash equivalents or have available funding to meet its commitments at a given date in accordance with its plans.

Market risk. It is a risk for the Company to incur losses due to fluctuations in market variables. The Company is mainly exposed to interest rate risk, the risk of fluctuations in security prices and foreign currency risk. The debts of the Company were short-term; therefore, interest rate risk is considered as insignificant. The Company also had no financial instruments designated to control the risk of interest rate fluctuations. Before reaching the decision on investing own funds, the Company assesses the risk and liquidity levels of the investment and its compliance with investment objectives. As at the reporting date, the Company held no investments in securities. As mainly all of the Company's operations are conducted in euros, open foreign currency positions are insignificant. The Company's foreign exchange risk is insignificant.

Business risk. These are risks arising from various internal and external factors affecting the Company, including concentration, talent management, strategic, partner and supplier risks, as well as other risks directly influenced by business decisions. Concentration risk is managed by ensuring a diversified external customer base. Talent management risk is addressed through competitive remuneration plans for key employees, linked to the Company's performance. Strategic risks are managed through an integrated business planning process and a rigorous multi-level decision-making framework, supported by the Company's extensive market experience. Partner and supplier risk is managed through strict partner and supplier selection procedures.

Exposure to financial risk and its management objectives

The Company manages its financial risk in the manner described in the annual financial statements. Exposure to financial risk is also described in these financial statements. In performing risk assessment and managing its operations, the Company follows the principles of prudence, conservativeness and precaution.

Analysis of financial and non-financial performance

In 2024, the Company's revenue decreased by 7.79% compared to 2023. The decline in revenue was primarily driven by a significant reduction in brokerage income following the transfer of the retail asset management business to the Šiaulių Bankas Group at the end of 2023. This significant decrease was not offset by the more than one-third increase in Family Office service revenue and the portfolio management service revenue, which exceeded half a million euros. The Company incurred a loss of EUR 191 thousand for the year 2024 due to an increase in the Company's costs related to the maintenance of its branches in Latvia and Estonia. The Retail Product Sales Unit was transferred to Šiaulių Bankas Group on 1 December 2023 as part of the retail asset management business combination transaction concluded between INVL Group and Šiaulių Bankas Group.

The environment and climate change action

Given the nature of its activities and the Company's small size, it is not formally committed to climate change mitigation targets. However, the Company assesses climate-related risks and, where necessary, takes appropriate actions to manage them and capture related opportunities. In its strategic goals, the Company is committed to acting responsibly, by acknowledging the challenges posed by climate change and aiming to reduce its negative impact on the environment. The Company has integrated environmental principles into its strategic documents and processes and aims to encourage investments that contribute to environmental protection objectives.

During the reporting period, the Company had no significant environmental projects. However, the Company has set up a steering group aiming at identifying possible directions to contribute to the implementation of positive environmental and social welfare changes in the Company. The Company continuously improves its processes and regularly reviews opportunities to broaden the scope of its environmental initiatives.

To mitigate the risk of external and internal bribery, the Company applies internal procedures designed to ensure operational transparency and prevent involvement in criminal activities.

Fight against corruption and bribery

We have adopted a Code of Ethics that sets out the Company's ethical standards. All employees are required to adhere to these standards in their activities. It is a set of business conduct guidelines designed to develop the moral competence of employees, to help them understand the values of the Company, to rationally organise their activities, to build positive working relationships, and to make the right and optimal decisions based on the principles of business ethics (including unacceptable acts of bribery of foreign officials (and others) in international business transactions, as well as other bribery-related acts).

References to and additional explanations of data reported in the annual financial statements

The data presented in the annual financial statements are sufficient, complete, and therefore do not require additional explanations.

Information on acquired shares

The Company does not have and has not acquired own shares during the reporting period.

The Company's operation plans and prospects

The Company's principal objective remains unchanged – to deliver the highest quality of service and to best meet the needs of our clients.

In 2025, we will continue to manage our clients' investments actively, further expand the range of products and services we offer, and strengthen partnerships with international professionals, thereby providing our clients with opportunities to invest beyond our home region. We will also implement new initiatives, including IT system enhancements, to improve the client experience and further ensure seamless custody and robust risk management of client assets.

We believe our clients choose us for our ability to provide clear, impartial, and expert solutions tailored to their needs and objectives, while offering access to a broad range of quality investment products and services. All of this is delivered in a flexible, simple, and convenient manner.

We intend to continue strengthening our team by attracting new talent and partners.

We believe that 2025 will be a year of breakthrough and expansion for the Company's branches in Latvia and Estonia.

As in previous years, our focus will remain on improving processes and systems to achieve even greater operational efficiency. We will also update our website to make it even more user-friendly and informative.

The Company's ambition remains unchanged – to become the regional leader in family office services.

Other required disclosures

The Company has no authorisations or commitments to issue or purchase its own shares. The Company is not engaged in any research and development activities.

Significant events after the end of the financial year

No post-reporting events occurred from the date of preparation of the financial statements to the date of issuance of the financial statements.

Information on the positions held by members of the management and their main workplace

Information on other managing positions held by the head of the Company and members of the board, and information on their main employment is provided below:

Asta Jovaišienė – Company's Chief Executive Officer and Board Member

Main workplace – INVL Financial Advisors UAB FMĮ (company code: 304049332, address: Gynėjų St. 14, Vilnius), Chief Executive Officer.

Involvement in activities of other companies: IPAS INVL Asset Management (investment management joint-stock company, company code: 40003605043, address: Kronvalda bulvāris 3-3, Riga, Latvia) Member of the Supervisory Board; AS INVL atklātajs pensiju fonds (joint-stock company, company code: 40003377918, address: Kronvalda bulvāris 3-3, Riga, Latvia), Member of the Supervisory Board; INVL Asset Management UAB (company code: 126263073, address: Gynėjų St. 14, Vilnius), Member of the Board.

Andrej Cyba – Chairman of the Company's Board

Involvement in activities of other companies: INVL Asset Management UAB (company code: 126263073, address: Gynėjų St. 14, Vilnius), Advisor; INVL Asset Management UAB FMĮ (company code: 304049332, address: Gynėjų St. 14, Vilnius), Chairman of the Board; IPAS INVL Asset Management (investment management joint-stock company, company code: 40003605043, address: Kronvalda bulvāris 3-3, Riga, Latvia) and AS INVL atklātajs pensiju fonds (joint-stock company, company code: 40003377918, address: Kronvalda bulvāris 3-3, Riga, Latvia), Chairman of the Supervisory Board; AB Vilkyškių Pieninė (company code: 277160980, address: Prano Lukošaičio St. 14, Vilkyškiai), Member of the Board; AB AUGA group (company code: 126264360, address: Konstitucijos Ave. 21C, Vilnius), Member of the Board and Chairman of the Audit Committee; UAB PEF GP1 (company code: 302582709, address: Maironio St. 11, Vilnius), UAB PEF GP2 (company code: 302582716, address: Maironio St. 11, Vilnius) and UAB Piola (company code: 120974916, address: Mindaugo St. 16-52, Vilnius), Chief Executive Officer; UAB Ymmalu (company code: 305765142, address: Šaltinių St. 24-10, Vilnius), Chief Executive Officer; UAB LAMA Capital (company code: 306178639, address: Šaltinių St. 24-10, Vilnius), Chief Executive Officer; UAB Vokė-III (company code: 120959622, address: Piliakalnio St. 70, Nemenčinė, Vilnius District), Chairman of the Board and Chief Executive Officer; UAB V3 Installation Solutions (company code: 124100519, address: Pašilaičių St. 14-74, Vilnius), Chief Executive Officer.

Paulius Žurauskas – Member of the Company's Board

Main workplace – INVL Asset Management UAB (company code: 126263073, address: Gynėjų St. 14, Vilnius), Chief Executive Officer until 6 January 2025.

Involvement in activities of other companies: -

INVL Financial Advisors UAB FMĮ (company code: 304049332, address: Gynėjų St. 14, Vilnius), Member of the Board from April 2024 until 27 December 2024;

IPAS INVL Asset Management (investment management joint-stock company, company code: 40003605043, address: Kronvalda bulvāris 3-3, Riga, Latvia) Member of the Supervisory Board from April 2024 until 17 December 2024;

AS INVL atklātajs pensiju fonds (joint-stock company, company code: 40003377918, address: Kronvalda bulvāris 3-3, Riga, Latvia) Member of the Supervisory Board from April 2024 until 17 December 2024.

Chief Executive Officer Asta Jovaišienė

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2024	2023 (restated)
Sales	4	3,754,103	4,071,317
Selling expenses	5	(103,954)	(152,956)
Gross profit		**3,650,149**	**3,918,361**
Other operating income		6,295	16,891
Operating expenses	7	(3,737,873)	(4,207,830)
Finance income (costs)	6	16,721	(41,191)
Result of revaluation of financial assets		9,989	12,086
Profit (loss) before income tax		**(54,719)**	**(301,683)**
Income tax (expenses) income	8	(136,722)	(8,722)
Net profit (loss) attributable to the Company's shareholders		**(191,441)**	**(310,405)**
Other comprehensive income		-	-
Total comprehensive income (expenses) for the year attributable to the Company's shareholders		**(191,441)**	**(310,405)**

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

These financial statements were signed and approved for issue on behalf of the Company by:

Chief Executive Officer	Asta Jovaišienė		31 March 2025
Chief Accountant	Birutė Bagdanavičienė		31 March 2025

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024	31 December 2023 (restated)
ASSETS			
Non-current assets			
Intangible assets	9	21,312	22,996
Property, plant, and equipment	9	39,979	21,708
Right-of-use assets	17	177,303	238,530
Financial assets measured at fair value	3.4., 10	-	110,409
Deferred tax assets	8	95,104	89,105
Total non-current assets		**333,698**	**482,748**
Trade and other receivables	11	1,452,255	1,498,353
Assets from contracts with customers	11	305,711	181,103
Overpaid income tax		-	57,830
Prepayments	12	42,486	44,692
Cash and cash equivalents	13	397,922	153,346
Assets related to business held for sale	18	**-**	**-**
Total current assets		**2,198,374**	**1,935,324**
TOTAL ASSETS		**2,532,072**	**2,418,072**
EQUITY AND LIABILITIES			
Share capital	14	1,500,000	1,500,000
Reserves	15	292,212	117,420
Retained earnings (loss)		(503,225)	(429,204)
Total equity		**1,288,987**	**1,188,216**
Amounts payable and liabilities			
Amounts payable after one year and non-current liabilities			
Non-current portion of lease liabilities	17	122,911	187,301
Payables related to employment relations	16	125,592	142,603
Received prepayments		13,613	-
Total amounts payable after one year and non-current liabilities		**262,116**	**329,904**
Trade and other payables	16	176,678	255,670
Payables related to employment relations	16, 3.19	647,049	583,752
Current portion of lease liabilities	17	72,350	60,530
Income tax liabilities		84,892	-
Liabilities related to business held for sale	18	**-**	**-**
Total amounts payable within one year and current liabilities		**980,969**	**899,952**
TOTAL EQUITY AND LIABILITIES		**2,532,072**	**2,418,072**

Chief Executive Officer	Asta Jovaišienė		31 March 2025
Chief Accountant	Birutė Bagdanavičienė		31 March 2025

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves			Retained earnings (loss)	Total
		Reserve for share-based payments	Fair value reserve	Legal reserve		
Balance as at 31 December 2022	1,250,000	144,566	-	25,000	(288,365)	1,131,201
Net profit/(loss) for the year (restated)	-	-	-	-	(310,405)	(310,405)
Increase / decrease of share capital	250,000	-	-	-	-	250,000
Share-based payments (Note 15)	-	117,420	-	-	-	117,420
Changes in reserves (Note 15)	-	(144,566)	-	-	144,566	-
Legal reserve	-	-	-	(25,000)	25,000	-
Dividends paid	-	-	-	-	-	-
Balance as at 31 December 2023 (Note 19) (restated)	**1. 500,000**	**117,420**	**-**	**-**	**(429,204)**	**1,188,216**
Net profit/(loss) for the year	-	-	-	-	(191,441)	(191,441)
Increase / decrease of share capital	-	-	-	-	-	-
Share-based payments (Note 15)	-	292,212	-	-	-	292,212
Changes in reserves (Note 15)	-	(117,420)	-	-	117,420	-
Legal reserve	-	-	-	-	-	-
Balance as at 31 December 2024 (Note 19)	**1,500,000**	**292,212**	**-**	**-**	**(503,225)**	**1,288,987**

Chief Executive Officer	Asta Jovaišienė		31 March 2025
Chief Accountant	Birutė Bagdanavičienė		31 March 2025

STATEMENT OF CASH FLOWS

	2024	2023 (restated)
Cash flows from operating activities		
Net profit/(loss) for the year	(191,441)	(310,405)
Adjustments for non-cash items:		
Depreciation and amortisation	84,117	83,845
Interest expense	13,660	10,005
Deferred taxes	(5,999)	(1,552)
Income tax expenses	142,722	10,274
Share-based payments expenses (Note 15)	246,848	58,313
Expenses of bonuses (Note 16)	757,413	709,509
(Increase) decrease in financial assets	(9,990)	(12,086)
Gain (loss) on write-down of non-current assets	-	(1,985)
Discounting effect of amounts receivable	(31,283)	31,283
	1,006,047	**577,201**
Changes in working capital:		
Decrease (increase) in trade and other receivables	77,381	(765,560)
Decrease (increase) in assets from contracts with customers	(124,608)	245,046
Increase (decrease) in employment related liabilities	(665,763)	(493,478)
Increase (decrease) in trade debts	(78,992)	168,292
Increase (decrease) in prepayments and other current liabilities	15,819	(35,792)
Income tax paid	-	(44,217)
Net cash flows from operating activities	**229,884**	**(348,508)**
Cash flows from investing activities		
(Purchase) of non-current assets	(31,881)	(45,837)
Disposal of non-current assets	-	2,997
Proceeds on disposal of financial assets	120,399	-
Liabilities transferred under business transfer agreement (Note 18)	-	(194,394)
Net cash flows from investing activities	**88,518**	**(237,234)**
Cash flows from financing activities		
Cash received for establishing share capital	-	250,000
Payments of lease liabilities	(60,166)	(77,690)
Interest payments	(13,660)	(10,005)
Dividends paid	-	-
Net cash flows from financing activities	**(73,826)**	**162,305**
Net increase (decrease) in cash flows	**244,576**	**(423,437)**
Cash and cash equivalents at the beginning of the period	**153,346**	**576,783**
Cash and cash equivalents at the end of the period	**397,922**	**153,346**

Chief Executive Officer	Asta Jovaišienė	31 March 2025
Chief Accountant	Birutė Bagdanavičienė	31 March 2025

NOTES TO THE FINANCIAL STATEMENTS

1. General information

INVL Financial Advisors UAB FMĮ (INVL Finasta UAB FMĮ until 30 May 2022) (“the Company”) is a private limited liability company registered in the Republic of Lithuania. The address of its registered office is as follows:

Gynėjų St. 14,
Vilnius, 01110
Lithuania.

In 2023, the Company established branches in Latvia and Estonia. The branch in Latvia was registered on 19 September 2023 with the address: Elizabetes iela 10B-1, Riga. The branch in Estonia was registered on 7 October 2023 with the address: Maakri tn 23a, Tallinn. The branches provide investment services. In January 2024, the Latvian branch received authorisation from the Latvian Financial Market Supervisory Authority to provide investment services in Latvia.

As at 31 December 2024, the controlling shareholder of the Company was Invalda INVL AB. As at 31 December 2024, the Company’s authorised share capital totalled EUR 1,500,000 and it was divided into 15,000 ordinary registered shares with par value of EUR 100 each. The shares were issued, registered and fully paid.

As at 31 December 2024, the Company had 45 (31 December 2023: 35) employees.

INVL Financial Advisors UAB FMĮ operates under a Category B financial brokerage firm licence issued by the Board of the Bank of Lithuania on 30 November 2015. Licence No. B110.

Category B licence conveys the right to provide the following investment services:

- Acceptance and transfer of orders on securities;
- Execution of orders or transfer of securities at the expense of clients;
- Management of financial instruments portfolios;
- Investing consultancy;
- Distribution of financial instruments without undertaking to distribute them.

Also, to provide the following ancillary services:

- Safekeeping, administration and management of financial instruments on the clients’ behalf, including safekeeping of assets and other related services, such as management of cash or collateral;
- Granting of credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings;
- Foreign exchange services where these are connected to the provision of investment services;
- Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;
- Services related to underwriting.

The Company’s management signed these financial statements on 31 March 2025. The Company’s shareholders have a statutory right to either approve the financial statements or not to approve them and prepare a new set of financial statements.

2. Going concern basis

These financial statements have been prepared on a going concern basis.

3. Material accounting policies

The principal accounting policies applied in the preparation of the Company's financial statements for 2024 are set out below.

3.1. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared on a going concern basis, consistently applying the principles of IFRS Accounting Standards as adopted by the European Union (IFRS), effective as at 31 December 2024.

As required by the Lithuanian Law on Companies, the annual financial statements prepared by management should be approved at the General Shareholders' Meeting. The shareholders of the Company have a statutory right to approve these financial statements or not to approve them and to require preparation of a new set of the financial statements.

Adoption of new and/or changed IFRSs and IFRIC interpretations

In the current reporting year, the Company adopted the new and amended IFRSs and IFRIC interpretations, which are effective for annual periods beginning on or after 1 January 2024:

In the current reporting year, the Company adopted the new and amended IFRSs and IFRIC interpretations, which are effective for annual periods beginning on or after 1 January 2024:

Amendments to IAS 1: *Classification of Liabilities as Current or Non-Current*;

Amendments to IFRS 16: *Lease Liability Arising in a Sale and Leaseback;*

Amendments to IAS 7 and IFRS 7: *Supplier Finance Arrangements.*

All amendments to standards effective from 1 January 2024 had no impact on the Company's financial statements for 2024.

Standards endorsed by the EU that are not yet effective and that have not been early adopted and not endorsed by the EU

Other amendments to existing standards and new standards, which are not yet adopted by the EU, are not relevant to the Company.

Standards not yet endorsed for use in the EU

Amendments to IFRS 9 and IFRS 7: *Amendments to the Classification and Measurement of Financial Instruments* (effective for annual reporting periods beginning on or after 1 January 2026, once adopted by the EU).

The amendments: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion; c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income. The Group and the Company are currently assessing the potential impact of these amendments on their financial statements. It is expected that derecognition exception for financial liabilities settled through an electronic cash transfer system would be relevant for most entities, but are not expecting that impact would be material, as in practice the same approach is mostly applied already in Lithuania.

IFRS 18 *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027 once adopted by the EU)

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Other amendments to existing standards and new standards, which are not yet adopted by the EU, are not relevant to the Company.

Presentation currency

The Company keeps its accounting records in the euro and all amounts in these financial statements have been presented in the national currency of the Republic of Lithuania, the euro (EUR).

3.2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and estimated impairment. Cost includes replacement costs of components of property, plant and equipment when incurred and when these costs meet the recognition criteria of property, plant and equipment. The replaced parts are written off.

Depreciation is calculated using the straight-line method over useful lives established as follows:

Computer hardware	3–4 years
Office equipment, furniture, and fittings	4–6 years

The assets' carrying amounts, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year to ensure that they reflect economic benefits expected to be derived from property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised.

The Company's intangible assets include software. Intangible assets are initially stated at acquisition cost. Intangible assets are recognised only when it is probable that future economic benefits associated with these assets will flow to the Company and the value of assets can be measured reliably. Subsequently, intangible assets are stated at acquisition cost, less accumulated amortisation and impairment losses, if any. Intangible assets are amortised using the straight-line method over the estimated useful live.

Costs associated with the acquisition of new computer software are capitalised and recognised as intangible assets, provided that such costs are not associated with computer hardware. Computer software is amortised over a period of 3 years.

Costs incurred in relation to restoration or maintenance of the expected economic benefits from operation of the existing software systems are recognised as expenses in the period during which such maintenance and support works have been carried out.

Depreciation/amortisation periods and methods and the carrying amounts of assets are reviewed at the end of each financial year.

3.3. INVESTMENTS AND OTHER FINANCIAL ASSETS

Financial assets within the scope of IFRS 9 are classified as either financial assets at fair value through profit or loss (either through OCI or through profit or loss) or financial assets measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Trade and other receivables

The Company's trade and other receivables are classified within the category of financial assets measured at amortised cost, since according to the business model of these assets, these assets are held for the purpose of receiving contractual cash flows, which meet the requirement of solely payments of principal and interest. This category also includes the line items of assets from contracts with customers and cash and cash equivalents within financial assets. The Company reclassifies debt instruments only when the business model for managing such assets changes.

Assets from contracts with customers

The Company's assets from contracts with customers consist of accrued revenue from existing contracts with the Company's customers that have not yet been invoiced for payment.

Financial assets measured at fair value through profit or loss

The Company's investments in equity securities are measured as financial assets at fair value through profit or loss. Since such assets are not held for trading at initial recognition, the Company has an irrevocable election to present equity instruments at fair value through profit or loss or other comprehensive income subsequent to initial recognition. At the Company, all investments in equity securities are measured at fair value through profit and loss.

3.4. IMPAIRMENT OF FINANCIAL ASSETS

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost.

The Company has the following two types of financial assets for which the expected credit losses model established by IFRS 9 is applied:

- trade and other receivables, contract assets;
- cash and cash equivalents.

The Company has reviewed its impairment approach in accordance with IFRS 9 for each of these asset classes. In the Company's judgement, potential expected credit losses on financial assets measured at amortised cost would be immaterial and are therefore not calculated and not disclosed in these financial statements.

3.5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position and in the statement of cash flows comprise cash at bank.

3.6. FINANCIAL LIABILITIES

The Company recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at fair value through profit or loss) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost using the effective interest method, except for liabilities for contingent consideration. A financial liability is derecognised when the obligation under the liability is settled, cancelled or expires.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Financial liabilities included in trade payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

3.7. SHARE CAPITAL

The share capital is presented in the statement of financial position at the amount subscribed.

3.8. LEASES

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The Company as a lessee

Leases where the Company is a lessee are recognised by accounting for right-of-use assets and a respective lease liability when the underlying assets become available for use.

The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability, lease payments made at or before the commencement date (less any lease incentives received), initial direct costs incurred by the Company. The lease liability is measured at the net present value of the lease payments.

Lease payments are discounted using the lessee's incremental borrowing rate. It is the interest rate that the lessee would be required to pay for its debt obligations necessary to acquire right-of-use assets in a similar economic environment and on similar terms and guarantees, as specified in the lease agreement. As the Company does not have any loans, it uses data provided by the Bank of Lithuania on average interest rates for loans of similar duration.

The Company incurs a possible future increase in variable lease payments related to an index specified in the lease agreement which is not included into the value of lease liability until it becomes effective. When lease payments are adjusted due to a change in an index, the lease liability is remeasured and adjusted also adjusting the value of the right-of-use assets.

Lease payments are apportioned between the settlement of lease liability and interest expenses. Interest expenses are recognised in profit or loss over the lease term retaining the constant interest rate for the remaining amount of lease liability in each period.

Right-of-use assets are depreciated over the lease term of an underlying asset.

3.9. REVENUE RECOGNITION

The Company's main types of income are commission income on transactions and fund distribution income.

Commission income on transactions and safekeeping of securities

Commission income on transactions includes commission fees on transactions implemented on behalf of the Company's clients and currency conversion income. Income from safekeeping of securities is commission income from the safekeeping of the Company's clients' securities in the Company's securities account. Commission fee income on transactions and currency conversion income is recognised as income as soon as the Company provides the transaction execution/currency conversion service and safekeeping income is recognised over the period during which the Company provides the safekeeping service.

Commission income from fund managers

The Company earns commission income from fund managers for services provided to the Company's clients who have invested in the products of these fund managers, including the preparation and submission of periodic reports to clients, ensuring ongoing communication between the management company and the investors, the maintenance of the investor list, the collection and transfer of investor funds, and other services. The income is calculated on the value of the assets that the Company's clients have invested in the products of the management company and is recognised over the period of the investments of the Company's clients in the fund managers' product.

Commission income on client assets under management

The Company receives income from its clients for its Family Office client services, which include the preparation of the client's financial/investment strategy, investment recommendations, product and service analysis, representation of the client in dealings with third-party product providers, and other services related to the management of the client's financial/investment assets.

Distribution income

The Company earns a distribution fee from fund managers for distributing new or existing funds to its clients. The distribution of pension funds, investment funds and investment funds for informed investors is a distinct service provided to fund managers, which includes organising product delivery, ensuring product suitability, 'know your customer' procedures, providing all necessary information to investors, contract conclusion, and other distribution services. This service is performed when the customer purchases fund units, thus distribution income is recognised immediately upon transfer of funds by the client and upon issue of fund units.

Interest income

Interest income is recognised on an accrual basis using the effective interest method (the rate that exactly discounts the estimated future net cash receipts through the expected life of the financial instruments to the net carrying amount of the financial instruments).

3.10. INCOME TAX

Income tax charge is calculated on profit or loss for the year and considers deferred taxation. Income tax is calculated in accordance with the Lithuanian regulatory legislation on taxation.

Lithuanian companies were subject to a standard income tax rate of 15 per cent. In Latvia and Estonia, the corporate income tax rate is 0%, with taxation applied only upon distribution of dividends.

Tax losses can be carried forward for indefinite period of time against future taxable income, except for losses arising from the disposal of securities and/or derivative financial instruments which can be carried forward for the period of 5 years. Losses arising from the disposal of securities and/or derivative financial instruments can be covered using taxable income received from transactions of the same type.

Deferred taxes are calculated using the balance sheet liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. Deferred tax assets on lease liabilities and deferred tax liabilities on right-of-use assets are calculated separately.

Deferred tax assets are recognised in the statement of financial position to the extent the management believes it is probable that they will be realised in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax asset is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

From 1 January 2025, the corporate income tax rate will change to 16%. As a result, deferred tax assets in the financial statements as at the end of 2024 are recalculated based on the income tax rate known to be applicable in the subsequent period.

3.11. EMPLOYEE BENEFITS

Social security contributions

The Company pays social security contributions to the State Social Security Fund ("the Fund") on behalf of its employees based on the defined contribution plan in accordance with local legal requirements. A defined contribution plan is a plan under which the Company pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The social security contributions are recognised as an expense on an accrual basis and are included within staff costs. Social security contributions each year are allocated by the Fund for pension, health, sickness, maternity and unemployment payments.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

3.12. BONUSES

After the end of the year, achievements of all of the Company's employees of the previous year are assessed and, if a bonus is intended to be allocated, amounts of the part are determined for each employee based on the performance for the previous year. Bonuses are awarded and paid following approval of the Company's audited annual financial statements. In accordance with the Company's practice, unless otherwise stated, the Company's employees have the possibility to choose the incentive method (bonus, transfer to pillar III pension fund or acquisition of share options of the parent company Invalda INVL). To the Company's employees who make decisions related to risk management, 60% of the bonus is paid once awarded and the remaining 40% part is paid in equal amounts in three (in certain cases within five) years after the bonus has been awarded. The same principle is applied for alternative incentive measures. Based on the Company's internal procedures, if these employees leave the Company before the term of the bonus payment, the outstanding part of the bonus is not paid.

Bonus payment plans of bonuses based on which employees can choose one of the incentive methods: share-based payment or payment in cash not linked to shares, are accounted for as a compound financial instruments linked to shares comprising debt and equity parts in accordance with International Financial Reporting Standard 2 (IFRS 2). The fair value of this financial instrument comprises the fair values of debt and equity parts. The fair value of the debt part is measured applying International Accounting Standard 19 (IAS 19) based on option value of cash payment. On initial recognition, the fair value of equity part is carried as a difference between the fair value of the whole compound financial instrument and the fair value of debt part considering that an employee must refuse to receive the payment in cash in order to receive the equity part. If on initial recognition the fair value of the compound instrument does not exceed the value of the debt part, the entire amount of compound instrument is accounted for as liability.

The Company carries separately the employee services based on each bonus compound financial instrument. For the debt part, the Company recognises costs for the services received and liability to pay for these services over the period of service provision. The portion of bonus which has already been recognised as costs and which will be paid later than after one year is recognised as non-current liability.

For equity part, the Company recognises costs for received services and increase in equity share-based payments reserve on a proportionate basis over the period of service provision. When an employee refuses to receive payment in cash under this compound financial instrument, i.e. when he or she enters into a share option agreement, then the accumulated part of liability is transferred to equity and continues to be recognised as described above, based on the accounting requirements for equity-settled share-based payments transactions.

As described above, part of payment of bonus is deferred from one to three years (up to five years in certain cases) after the end of the reporting period and the employee must remain employed at the Company until the deferred part is paid. For both debt and equity parts, the Company recognises costs for received services proportionately over the period of service provision, which starts at the beginning of the year for which the bonus was allocated and ends on the date when the employee obtains a non-cancellable right to receive cash payments (coincides with the moment of payment) or receives share options.

The possibility to choose incentive in equity instruments is separately approved by the Board of the parent company; therefore, the grant date of equity part is deferred until the approval of the possibility to receive share options instead of a bonus has been obtained.

On the grant date of equity part, the fair value of the equity part is remeasured so that the equity-settled amounts recognised for the services rendered by employees correspond to the fair value of equity instruments established at the grant date of equity part. Remeasurement at fair value is based on the following assumptions:

- including the impact of market performance vesting conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and retention of employment relations with the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. The effect of adjustment (if any) of initial estimates is recognised in profit or loss and equity is adjusted accordingly.

3.13. COMPANY'S SHARE OPTION PROGRAMME

The Company has enrolled certain employees in its share option programme. Under the programme, employees become entitled to share options in the Company if specific financial performance targets are met and they remain employed until a specified vesting date. The number of options granted is determined based on a predefined formula. Upon vesting, the allocated share options will be converted into Company's shares. The programme is accounted for as share-based payments in accordance with IFRS 2. At the grant date, the fair value of the programme is calculated as the product of the estimated number of options expected to vest and the fair value of a single option. At each reporting date, the non-market vesting conditions of the share option programme are reassessed, and the most likely number of share options expected to vest is revised. The fair value of an individual option, as determined at the grant date, remains unchanged throughout the life of the programme. At the reporting date, the updated value of the share option programme is calculated as the product of the revised number of options and the original grant date fair value. The portion of the programme value that corresponds to the period elapsed from the grant date to the reporting date, relative to the total vesting period, is recognised in the financial statements. This amount is recorded as employee-related expenses in the statement of comprehensive income and in the share-based payment reserve within the statement of financial position. Further information on the terms of the programme is provided in Note 15.

3.14.PROVISIONS

Provisions are recognised only when the Company has a legal obligation or irrevocable commitment as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects that the amount of provision will be compensated in part or in full, e.g. by insurance, compensation to be received is recorded as a separate asset, but only when it is virtually certain. Expenses related to provisions are recorded in profit or loss, net of compensation receivable. If the effect of the time value of money is material, the amount of provision is discounted using the effective pre-tax rate set based on the interest rates for the period and taking into account specific risks associated with the provision as appropriate. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs. No provisions were formed in previous reporting periods.

3.15. CONTINGENT LIABILITIES AND ASSETS

Contingent consideration liabilities are not recognised in the financial statements. They are disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the financial statements, but are disclosed when resources providing economic benefits are probable.

3.16. DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

The financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to the cash flows of the financial asset expire; or
- substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is settled, cancelled or expired.

When an existing financial liability to the same creditor is replaced by another liability with substantially different terms, or the terms of an existing liability are substantially modified, such modifications are recognised by derecognising the existing liability and recognising a new liability, with the difference between the two recognised in profit or loss.

Offsetting

Financial assets and liabilities may be offset and presented at net amount in the statement of financial position if there is a legal right to set off the recognised amounts and an intention to settle on a net basis, or to sell the asset and settle the liability simultaneously.

3.17. SUBSEQUENT EVENTS

Events after the reporting period that provide additional information about the Company’s position at the date of the statement of financial position (adjusting events) are reflected in the financial statements. Subsequent events other than adjusting events are disclosed in the explanatory notes to the financial statements when such events are significant.

3.18. ASSETS AND LIABILITIES HELD FOR SALE

The assets and liabilities are separated from the Company’s other assets and liabilities in statement of financial position and disclosed under separate items of current assets and current liabilities in the statement of financial position as assets and liabilities held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. These assets and liabilities are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated. The statement of financial position shall only separate assets and liabilities that are directly attributable to the Company’s business held for sale. Those assets and liabilities that relate to both the held for sale and continuing operations of the Company are not separated from the other assets and liabilities of the Company.

3.19. ALLOCATION OF COSTS BY TYPE IN THE STATEMENT OF PROFIT OR LOSS

In the statement of profit or loss, the Company recognises in selling expenses only costs directly attributable to the generation of revenue in respect of third parties. The Company classifies all costs incurred in the conduct of its business, including costs incurred to attract new customers, as operating expenses, as the Company’s activities are related to the distribution of investment products (funds, portfolio services).

3.20. ESTIMATES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with International Financial Reporting Standards, as adopted by the EU, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingencies. The significant areas of estimation used in the preparation of the accompanying financial statements relate to determining the impairment of amounts receivable and expected credit losses, share-based payment schemes, and recognition and measurement of lease liability and right-of-use assets.

Below are presented key assumptions affected by the future and other key sources of estimation uncertainty at the date of the statement of financial position that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Bonuses

The Company's employees have the possibility to choose the incentive method (bonus, contribution to pension funds or acquisition of share options of the parent company Invalda INVL AB). As described in more details in Note 3.12, in accordance with IFRS 2, this arrangement with employees is accounted for as a compound instrument comprising debt and equity part. When determining the period of service provision and recognising costs proportionately over the set period of service provision, the Company uses an accounting estimate. Also, the equity part of bonus is paid through derivative financial instruments – share options. These instruments are stated at the fair value of the option at the time of granting the instrument. The fair value calculation method is a significant accounting estimate. The fair value of these instruments is accounted for using the Black-Scholes method for pricing of options. All main inputs, except for volatility, are observable market data (the price of shares of the parent company and risk-free interest rate). Share price volatility is calculated based on market data on historical change in share price. More details on calculation principles and inputs are provided in Note 15.

Company's share option programme

As described in Part 3.13 of the Material accounting policies, the Company has included certain employees in its share option programme. Expenses related to the programme are recognised in these financial statements within operating expenses in the statement of comprehensive income and within the reserve for share-based payments in the statement of financial position. The recognised expenses are based on the estimated value of the share option programme. Determining the value of the programme constitutes a significant accounting estimate. The programme's value is calculated as the product of the estimated number of options and the fair value of a single option. The number of options is determined in accordance with the rules set out in the option agreement and based on forecasts of the Company's performance through to the end of the programme on 31 December 2027. Key assumptions used in determining the number of options include projected revenue, expenses, client assets, and the number of clients. The fair value of an individual option is determined using the Black-Scholes option pricing model. The key inputs to the model include the risk-free interest rate (based on observable market data), the share price (estimated using a multiples approach, specifically the EV/Revenue multiple derived from comparable listed companies), and volatility (calculated based on the volatility of the same peer group used to determine the share price). More details on calculation principles and inputs are provided in Note 15.

Recognition and measurement of lease liability and right-of-use assets

In 2024, the Company leased premises in Vilnius and Klaipėda. In calculating the lease liability and right-of-use assets, the Company applied the contractual interest rate because it was able to calculate the fair value of the leased asset at the beginning of the lease term and at the end of the lease term using the lessor's fair value estimates. The fair value of the leased premises and the derived interest rate is the accounting estimate.

Future events may cause assumptions used in making estimates to change. The effect of such changes on estimates will be disclosed in the financial statements as they occur.

3.21. SIGNIFICANT JUDGEMENTS AFFECTING THE FINANCIAL STATEMENTS

In applying the Company's accounting policies, management made the following judgements that had the major impact on the amounts recognised in these financial statements:

The period of recognition of distribution income (refer to Note 3.9)

When the Company distributes funds managed by fund managers to its retail clients, it applies judgement on whether the distribution of fund units is a distinct service, which takes place when the client purchases fund units, or whether it forms part of the services provided to clients who have invested in funds managed by fund managers throughout the entire investment period. As the Company is required to take specific actions in relation to its customers for them to be able to invest in a particular fund, the Company has made a judgement that those actions constitute a distinct service performed in relation to the Company's customers, for which the fund managers pay the distribution fee or a portion thereof to the Company, and, as a consequence, the distribution fee is recognised as revenue as soon as the distribution service has been rendered.

Assets and liabilities held for sale related to retail products distribution activities (applicable to the year 2023)

According to the judgement of the Company's management, the retail product distribution business held for sale (see Note 18) is not a discontinued operation as defined in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Management made this judgement in the context of its consideration of whether the business held for sale meets the definition of a discontinued operation. In management's assessment, the business held for sale does not meet the definition of a discontinued operation because:

- the business held for sale is not a separate material part of the business, as the Company's shareholders treat the retail and alternative product distribution activities as a single business serving different client segments.

4. Sales

	2024	2023
Revenue recognised over time	*3,280,636*	*2,308,078*
Commission income on safekeeping of securities	79,222	143,974
Commission income from fund managers and on client assets under management	3,201,414	2,164,104
Revenue recognised at a point in time	*473,467*	*1,763,239*
Commission income on transactions	100,289	118,739
Income from distribution of investment and pension funds, CIUII	373,178	1,644,500
	3,754,103	**4,071,317**

5. Selling expenses

	2024	2023
Expenses from commission on transactions	103,954	152,956
	103,954	**152,956**

6. Finance income and costs

	2024	2023
Interest income (overnight deposits)	857	89
Interest expense on lease liabilities	(13,660)	(10,005)
Currency exchange gain	116	12
Currency exchange loss	(1,818)	(4)
Discounting effect of amounts receivable	31,283	(31,283)
Other finance income (costs)	(57)	-
	16,721	**(41,191)**

7. Operating expenses

	2024	2023 (restated)
Wages and salaries and related expenses	2,202,996	2,541,227
Expenses of bonuses	698,823	819,968
IT support and development expenses	114,808	69,551
Maintenance of motor vehicles	40,395	73,603
Rent of premises and utility services	35,970	94,922
Advertising and similar expenses	-	5,694
Budget taxes, except income tax	54,400	87,007
Communication expenses	2,904	4,838
Depreciation and amortisation	86,700	83,845
Postage and courier services	3,701	-
Legal services	12,330	18,060
Staff development expenses	24,732	18,690
Business trips	18,271	29,598
Audit expenses	17,643	23,800
Support	187,353	-
Other expenses	236,847	337,027
	3,737,873	**4,207,830**

Services provided by the auditors to the Company are presented below:

	2024	2023
Expenses of audit of the financial statements under the agreements	17,643	23,800
Expenses of assurance and other related services	-	-
Expenses of tax advisory	-	-
Expenses of other services	-	-
Total	**17,643**	**23,800**

8. Income tax

Income tax expenses:

	2024	2023 (restated)
Components of income tax (expenses) income:		
Income tax expenses for the current period	(142,722)	(10,274)
Changes in deferred tax	6,000	1,552
Income tax (expenses)/income recognised in profit or loss	**(136,722)**	**(8,722)**

Deferred tax for 2023 was calculated applying a 15% corporate income tax rate, while for 2024 it was calculated applying a 16% rate.

	2024	**2023**
Deferred tax assets		
Tax losses carried forward for indefinite period related to operating activities	-	-
Social security on accrued vacation	9,209	246
Bonuses	85,210	83,241
Lease liabilities*	8,773	12,751
Discounting effect of amounts receivable	-	4,692
Deferred tax assets	103,192	100,930
Less: not recognised deferred tax assets	-	-
Deferred tax assets, net	**103,192**	**100,930**
Deferred tax liability		
Right-of-use assets	8,088	11,825
Deferred tax liability	**8,088**	**11,825**
Deferred tax, net	**95,104**	**89,105**

The movement of deferred income tax is presented in the table below:

	2024	**2023**
Deferred tax, net, at the beginning of the period	89,105	72,466
Change in deferred income tax recognised in profit or loss	5,999	1,552
Transfer of deferred tax assets to assets related to business held for sale	-	15,087
Deferred tax, net, at the end of the period	**95,104**	**89,105**

Income tax expenses can be reconciled to the theoretical amount of income tax using the income tax rate as follows:

	2024	**2023 (restated)**
Profit (loss) before income tax	(54,719)	(301,683)
Income tax calculated at a rate of 15%	8,208	45,252
Expenses (not deductible) for tax purposes	(144,930)	(53,974)
Support	-	-
Income tax expenses recognised in profit or loss	**(136,722)**	**(8,722)**

*Deferred tax assets are recognised only in respect of the Lithuanian operations, as the corporate income tax rate in Latvia and Estonia is 0%.

9. Property, plant and equipment and intangible assets

2024	Computer hardware and office equipment	Software
Acquisition cost		
Balance at the beginning of the year	38,369	22,996
Additions	27,953	6,513
Write-offs	(2,585)	-
Balance at the end of the year	**63,737**	**29,509**
Accumulated depreciation/amortisation		
Balance at the beginning of the year	16,661	-
Charge for the year	9,682	8,197
Write-offs	(2,585)	
Balance at the end of the year	**23,758**	**8,197**
Carrying amount at the end of the year	**39,979**	**21,312**

2023	Computer hardware and office equipment	Software
Acquisition cost		
Balance at the beginning of the year	18,525	-
Additions	22,841	22,996
Write-offs	(2,997)	-
Balance at the end of the year	**38,369**	**22,996**
Accumulated depreciation		
Balance at the beginning of the year	13,896	-
Charge for the year	2,765	-
Balance at the end of the year	**16,661**	**-**
Carrying amount at the end of the year	**21,708**	**22,996**

As at 31 December 2024 and 2023, the Company had no depreciated property, plant and equipment.

10. Financial assets measured at fair value

Financial assets measured at fair value comprised the following:

	31 December 2024	31 December 2023
Collective investment undertakings	-	110,409
Funds managed by SB Asset Management	-	110,409
	-	**110,409**

As at 31 December 2024, the Company no longer held financial assets measured at fair value. As at 31 December 2023, the Company's financial assets are classified as Level 2 fair value when all inputs are both directly and indirectly observable in markets. The price of collective investment undertakings is based on the announced net asset value of the funds at which units of the funds would be redeemed. SB Asset Management, UAB funds have been managed since 1 December 2023. Until then, the funds were managed by INVL Asset Management, UAB.

11. Trade and other receivables and assets from contracts with customers

	31 December 2024	31 December 2023
Trade receivables	1,452,255	1,498,353
Assets from contracts with customers	305,711	181,103
Trade and other receivables	**1,757,966**	**1,679,456**
Impairment of amounts receivable	-	-
Trade and other receivables, net	**1,757,966**	**1,679,456**

As at 31 December 2024, the Company had no discounted receivables. Part of the trade receivables were discounted as at 31 December 2023 because they were expected to be recovered after the contractual maturity. Recovery until 30 June 2024, discount rate 7%. The discount was reversed in 2024 upon receipt of the receivable.

12. Prepayments and deferred costs

	31 December 2024	31 December 2023
Prepayments	27,424	32,061
Deferred costs	15,062	12,631
	42,486	**44,692**

13. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash balances in bank accounts	397,922	153,346
	397,922	**153,346**

The fair value of cash balances in bank accounts approximates their carrying amount.

14. Share capital

As at 31 December 2024, all shares were issued, registered and fully paid. The share capital amounted to EUR 1,500,000. There were no changes in share capital in 2024. In 2023, the share capital was increased once by EUR 250 thousand. The management of the Company is constantly monitoring that the ratio of the shareholder's equity would not be less than 50% of its authorised share capital as required by the Lithuanian Law on Companies. As at 31 December 2024, the Company's shareholder's equity amounted to EUR 1,288,987 and accounted for almost 86% of the share capital. Capital adequacy ratio is disclosed in Note 19.

15. Reserves

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of 5% of net profit calculated in accordance with the Lithuanian regulatory legislation on accounting are required until the reserve reaches 10% of the authorised share capital. This reserve can be used only to cover losses. At the end of 2022, the Company's legal reserve amounted to EUR 25,000 and accounted for 2% of the share capital. The reserve was used in 2023 to cover losses for 2022. As at the end of 2024, the legal reserve amounted to zero due to negative retained earnings.

Invalda INVL share options

Based on the arrangements described in Part 3.12 of the Material accounting policies, in May 2024 and in June 2023 the Company made an agreement with employees who chose to receive incentives in equity instruments (share options) on option conditions related to acquisition of shares of the Company's controlling shareholder Invalda INVL AB.

The movement in the number of share options based on effective option contracts is presented in the table below:

	2024	2023
The number of allocated share options at the beginning of the period	30,647	37,589
Allocated share options during the period	8,767	13,948
Transfer of employee share options between companies	254	
Exercised share options	(16,699)	(20,890)
The number of issued options at the end of the period	22,969	30,647
The number of options based on signed contracts to which employees are entitled	**5,113**	**13,601**
The number of options based on signed contracts to which employees are not yet entitled	**17,856**	**17,046**

The main terms and conditions of these transactions are as follows:

- The right to acquire the shares becomes effective after three years after the conclusion of share option contracts; consummation on an earlier date is not allowed;
- The right to acquire a part of the shares becomes effective on future dates: 30 April of 2025, 2026 and 2027 (granted options in 2023: 30 April of 2024, 2025 and 2026 respectively), provided the employment contract of the employee does not terminate by that date;
- Share acquisition price – EUR 1;
- Upon reaching the time-limit for the employee to acquire the shares, the right to acquire the shares shall be realised by selling own shares held by the controlling shareholder to the employee, or by offering the employee an option to subscribe to newly issued shares;
- The employee shall not transfer the rights acquired under the contract.

Key inputs used in determining the fair value of options using the Black-Scholes method in 2024 and 2023 are disclosed in the table below.

	2024	2023
Option grant date	28/05/2024	12/06/2023
Share price at the option grant date	EUR 12.3	EUR 11.1
Risk-free interest rate, %	2.770%	2.587%
Share volatility calculated using historical share price fluctuations	29.85%	30.63%
Expected dividend rate	0%	0%
Calculated fair value of share options at the grant date	11.38	10.17

Company's share option programme

According to the transactions described in Part 3.13 of the Material accounting policies, in December 2024 the Company agreed on the terms of share acquisition options with certain employees:

- option grant date: 16 December 2024;
- option vesting date: 30 June 2028;
- The right to acquire a part of the option shares becomes effective on future dates: 31/12/2024 (16.67%); 31/12/2025 (33.34%); 31/12/2026 (50%); and 31/12/2027 (100%), provided the employee's employment contract remains in force until the respective date;
- option exercise price: EUR 0;
- number of share options granted: depends on the excess of the Company's fair value over the target value as at 31 December 2027, and is awarded only if the minimum thresholds for additional performance indicators, as defined in the agreement, are met: The Company's assets under supervision; annual recurring revenue; the cost-to-income (C/I) ratio; and the number of clients.

Based on the most likely Company economic growth scenario, the total number of share options estimated to be granted as at 31 December 2024 is: 582 share options.

The movement in the number of share options based on effective option contracts is presented in the table below:

	2024
The number of allocated share options at the beginning of the period	-
Allocated share options during the period	582
The number of issued options at the end of the period	582
The number of options based on signed contracts to which employees are entitled	**97**
The number of options based on signed contracts to which employees are not yet entitled	**485**

The value of a single granted share option has been calculated using the Black-Scholes valuation model. Key inputs are presented in the table below:

	2024
Option grant date	16/12/2024
Company's share price at the option grant date*	EUR 706.32
Risk-free interest rate, %	1.946%
Estimated share price volatility	28.79%
Expected dividend rate	0%
Calculated fair value of share options at the grant date	EUR 706.32

* The Company's share price was estimated using a multiples-based valuation approach. In line with common valuation practices for comparable companies, the EV/Revenue (enterprise value to revenue) multiple was applied.

** The estimated share price volatility was based on historical volatility data of the comparable companies used to determine the Company's share price under the multiples method.

The total fair value of the share option programme, calculated as the product of the estimated number of options and the value per option, amounted to EUR 411 thousand as at 31 December 2024.

The value of share-based payments in equity is recognised in share-based payments reserve. Share-based payments expenses are recognised proportionately to the time worked by employees during the vesting period, considering the fair value of share options and their respective vesting dates.

In case of Invalda INVL share options (Note 3.12 of Material accounting policies), vesting period is considered to start at the beginning of the year for which options are granted and is considered to end when an employee obtains a non-cancellable right to share options. Based on the rules of payment of the deferred portion of bonus to employees making decisions related to risk management, employees obtain the right to 60% of share options immediately after the granting, and the remaining 40% proportionately after one, two or three years (after four and five years in certain cases) following the option grant date. When an employee chooses share options as his or her incentive method, part of its bonus liability is transferred to equity share-based payments reserve (see the movement below).

In case of the Company's share options (Note 3.13 of Material accounting policies), the vesting proportions are set out in the share option agreement and disclosed above.

Movement of the recognised share-based payments reserve is disclosed in the table below:

	2024	2023
Amount of share-based payments reserve at the beginning of the period	117,420	144,566
Transfer of reserve to retained earnings in accordance with shareholder's decision	(117,420)	(144,566)
Transfer of bonus to share-based payments reserve (Note 16)	45,364	59,107
Share-based payment expenses (Invalda INVL share options)	69,871	58,313
Share-based payment expenses (Company's share options)	176,977	-
Amount of share-based payments reserve at the end of the period	**292,212**	**117,420**

Allocated part of share-based payments which has not yet been recognised in the item of share-based payments reserve is disclosed in Note 20.

16. Trade payables, employment related and other amounts payable

Trade payables are non-interest bearing and are normally settled within the term of 14 to 30 days.

	31 December 2024	31 December 2023 (restated)
Remuneration-related liabilities	238,608	171,357
Bonuses	534,033	554,998
Trade payables	36,667	189,343
Other amounts payable	140,011	66,327
Total trade and other payables	**949,319**	**982,025**

For employees for which the payment of bonus is deferred, costs and liabilities are recognised over the period from the beginning of year for the results of which the bonus was allocated until the employee becomes irrevocably entitled to the bonus. The part of the incentive chosen by employees to be obtained in share options is transferred to share-based payments reserve when share options are allocated by choice of employees (see Note 15). The remaining portion of the bonus that has been calculated for the previous financial year but neither allocated nor expensed yet is disclosed in Note 20. In the statement of financial position, the entire employment-related non-current amount payable relates to a bonus that will be paid after more than one year as of the end of the reporting period.

Bonus movement is presented in a table below:

	2024	2023
Bonus at the beginning of the period	554,998	472,631
Transfer of bonus to share-based payments reserve (Note 15)	(45,364)	(59,107)
Payment of bonus	(427,576)	(620,181)
Accrual of bonus costs	451,975	761,655
Transfer of part of bonus to liabilities related to retail business held for sale	-	-
Bonus at the end of the period	**534,033**	**554,998**

17. Right-of-use assets and lease liabilities

The Company leases premises and car parking spaces in Vilnius under a lease agreement effective until March 2026. Due to the relocation of the retail business, the lease agreement in Klaipėda was terminated in February 2024. To measure the value of lease liabilities, the Company uses the average market interest rate equal to 5.69%, as determined in 2023 after the lease modification. For the previously existing agreement, the Company applied an average market interest rate of 4.39%. The table below discloses the movement of right-of-use assets and lease liabilities during 2024.

	2024	2023
Right-of-use assets at 1 January	238,530	256,928
Depreciation charges	(68,823)	(81,080)
New lease	-	162,080
Lease modification	7,596	(99,398)
Right-of-use assets at 31 December	**177,303**	**238,530**
Lease liabilities at 1 January	247,831	264,824
Calculated interest	13,660	10,005
Lease payments	(73,826)	(87,695)
New lease	-	162,080
Lease modification	7,596	(101,383)
Lease liabilities at 31 December	**195,261**	**247,831**

18. Assets and liabilities related to retail products distribution business that is held for sale

On 1 December 2023, based on the retail businesses merger agreement, the Company transferred its retail distribution business and related employees, systems, assets and liabilities to AB Šiaulių Bankas Group. The Company transferred employee-related liabilities amounting to EUR 194.4 thousand and transferred the same amount of cash, and transferred employee-related assets (computers). The transfer of assets planned last year mainly included accrued receivables and assets from contracts with customers from the related company INVL Asset Management UAB, which is also involved in the business combination. As these are amounts between related companies, it was agreed with the acquirer prior to closing the transaction that these assets (from the Company's side) and liabilities (from INVL Asset Management UAB side) are not transferred to the other party of the transaction.

19. Management of financial risks and capital

Credit risk

The Company applies measures to ensure on a continuous basis that transactions are concluded with credible parties and do not exceed the approved credit exposure limit. The Company does not issue guarantees to secure the fulfilment of obligations of other parties. The carrying amount of each item of financial assets represents the largest credit risk. Therefore, the Company's management considers that the maximum exposure is equal to the amount of trade and other receivables and cash at bank.

In the table below, credible transactions, i.e. good financial position, stable operations, contracts with no material irregularities, receivables secured by collateral are considered low risk; funds held with banks in EU countries whose parent banks have investment grade ratings are considered low risk; transactions with identified loss events and risk of non-repayment of the loan, and funds held with banks in other EU countries are considered higher risk. Unclassified risks are exposures without any credit risk assessment.

The table below and the other financial risk and capital management tables also include the assets and liabilities of business held for sale (under comparative information).

31 December 2024	**Low risk (1–3)**	**Higher risk (4–5)**	**Unclassified**	**Total**
Asset class				
Cash at banks	397,922	-	-	397,922
Trade and other receivables	1,452,255	-	-	1,452,255
Assets from contracts with customers	305,711	-		305,711
Total	**2,155,888**	**-**	**-**	**2,155,888**

31 December 2023	**Low risk (1–3)**	**Higher risk (4–5)**	**Unclassified**	**Total**
Asset class				
Cash at banks	153,346	-	-	153,346
Trade and other receivables	1,498,353	-	-	1,498,353
Assets from contracts with customers	181,103	-		181,103
Total	**1,832,802**	**-**	**-**	**1,832,802**

Operational risk

The main objective of the operational risk management is to ensure the sound operation of the business, protect against internal and external threats, and minimise the impact of potential risk events on the Company's activities. Operational risk management is decentralised, taking place within each of the Company's business units and across all ongoing processes. Risk mitigation is supported by the Company's clear organisational structure, with well-defined roles and responsibilities. Every employee is directly involved in operational risk management processes. Any disruptions detected are promptly recorded and addressed in accordance with the Operational Risk Management requirements. The Company manages operational risks in the area of cyber security by engaging third-party IT security services, conducting annual security audits of IT systems, and implementing changes where necessary. The operational risk of human error is managed through control procedures and reviews of actions and decisions in key business processes, as well as ongoing staff training. The risk of errors in systems and processes is managed through a system for recording and monitoring operational risk events, along with periodic reviews of the Company's core processes. The risk of natural disasters is managed through the implementation and regular testing of the Company's business continuity plans.

Liquidity risk

The primary objective of the Company's liquidity risk management is to ensure that the Company maintains sufficient funds at all times to meet its obligations. The Company's liquidity risk management framework comprises the following elements of short-term and long-term liquidity risk management: short-term and long-term cash flow forecasting; analysis of the Company's liquid assets and current liabilities; calculation of regulatory liquid assets and liquidity requirements; the Internal Liquidity Adequacy Assessment Process (ILAAP); assessment and securing of external sources of liquidity; communication of the Company's liquidity position to senior management and the shareholder; and liquidity crisis resolution and recovery management. For the purpose of assessing liquidity risk, the Company calculates the liquid assets to current liabilities ratio, which exceeds the set target level of 100% with a margin.

	31 December 2024	**31 December 2023**
Liquid assets		
Cash at bank (Note 12)	397,922	153,346
Trade and other receivables	1,452,255	1,498,353
Assets from contracts with customers	305,711	181,103
Liquid financial assets	-	110,409
Total liquid assets	**2,155,888**	**1,943,211**
Current liabilities	**980,969**	**938,738**
Liquidity ratio, %	**220**	**207**

The table below shows undiscounted future payments:

Liabilities	**Up to 1 month**	**2 to 3 months**	**4 to 12 months**	**2 to 5 years**	**Over 5 years**	**Total**
31 December 2024						
Trade and other payables	-	146,353	-	-	-	146,353
Lease liabilities	6,843	13,687	61,590	134,923	-	217,043
Total	**6,843**	**160,040**	**61,590**	**134,923**	**-**	**363,396**

Liabilities	**Up to 1 month**	**2 to 3 months**	**4 to 12 months**	**2 to 5 years**	**Over 5 years**	**Total**
31 December 2023						
Trade and other payables	-	189,343	-	-	-	189,343
Lease liabilities	4,545	6,829	51,533	188,779	-	251,686
Total	**4,545**	**196,172**	**51,533**	**188,779**	**-**	**441,029**

Market risk

Market risk is defined as the risk that the Company will suffer losses due to the volatility of financial instruments resulting from changes of market variables (foreign currency rate, market interest rate, prices of securities). As at 31 December 2024, the Company held no investments in financial instruments. As at 31 December 2023, the Company had invested in a collective investment undertaking that invests in listed securities and has the objective of earning income from these investments in the long term (see Note 10). If the value of the investments in the collective investment undertaking as at 31 December 2023 were to decrease by 20%, the Company would incur a loss of EUR 22 thousand. The Company manages the risk of short-term fluctuations by limiting the gross amount of the investments. Before investing additional funds, the Company assesses the current and future own funds and liquidity ratios, and only then decides on increasing or reducing its investments.

Internal control

The management must ensure the implementation of appropriate organisational measures, procedures and information systems supporting its business processes, which, as a whole, must ensure the adequacy on the internal control system in place. The following key internal control components are to be noted: checking primary system data on completed operations against operation data in the accounting system, separation of functions, daily accounting, market assessment, limits and control thereof, other control measures.

Capital adequacy

The Company's management monitors the capital adequacy ratio to ensure that it complies with the directly applicable provisions of Regulation (EU) No 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and of other legal acts regulating capital and other prudential requirements for financial brokerage firms. The Company is obliged to keep its equity not less than 50% of its authorised share capital, as imposed by the Law on Companies of the Republic of Lithuania. For Category B financial brokerage firms, the capital adequacy ratio may not be less than 100%.

The table below shows the calculation of the capital adequacy ratio already including the 2024 result (loss) as required by the capital adequacy legislation.

Capital adequacy calculation (in EUR thousand)	31 December 2024 (unaudited)	31 December 2023 (unaudited)
Share capital	1,500	1,500
Reserves	292	117
Retained earnings (loss) from prior years	(312)	(119)
Net losses for the current year	(191)	(310)
Deductions from Tier I capital:		
Intangible assets	(21)	(23)
Deferred tax assets	(95)	(89)
Tier I capital	1,173	1,076
Capital requirement	629	629
Capital adequacy ratio, %	**186.49**	**171.07**

Capital requirement calculation

The capital requirement is determined as the highest amount of the fixed overheads requirement, the ongoing minimum capital requirement, or the K-factor requirement.

Capital requirement	31 December 2024 (unaudited)	31 December 2023 (unaudited)
1) Fixed overheads requirement	629	629
2) Ongoing minimum capital requirement	150	150
3) K-factor requirement	117	94
K-factor requirement – market risk	-	-
K-factor requirement – firm risk	-	-
K-factor requirement – client risk	117	94
Capital requirement – determined as the highest of 1), 2), or 3)	**629**	**629**

Internal capital and liquidity adequacy assessment

The Company conducts the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) annually. As part of the ICAAP and ILAAP, the Company updates its assessment of key risks, develops adverse scenarios for significant risks, and calculates the impact of those scenarios on the Company's capital adequacy and liquidity positions should they materialise. The ICAAP and ILAAP assessments performed in both 2023 and 2024 demonstrated that, even if the adverse scenarios materialise as assumed, the Company's capital adequacy ratio would remain compliant, and its liquid assets would be sufficient to cover current liabilities.

20. Provisions, off-balance sheet commitments and contingencies

Specification of variable remuneration not recognised as costs (for more details, see Notes 15 and 16 and part 3.11 of Material accounting policies):

	31 December 2024	31 December 2023
Allocated for payment in Invalda INVL share options	73,282	51,461
Allocated for payment in the Company's share options	234,104	-
Allocated for payment in cash or contributions into pension funds	51,419	50,477
Calculated for the year but not yet allocated	113,740	149,964

As at 31 December 2024, the Company was not involved in any litigation (either as plaintiff or defendant) and there was no evidence of any potential lawsuits or claims with a reasonable likelihood of an adverse outcome.

The Tax Authorities may inspect accounting, transaction and other documents, accounting records and tax returns for the current and previous 3 calendar years at any time, and where appropriate, for the current and previous 5 or 10 calendar years and impose additional taxes and penalties. The management of the Company is not aware of any circumstances which would cause calculation of additional significant liabilities due to unpaid taxes.

21. Related-party transactions

The parties are deemed to be related when one party has a power to exercise control over the other party or make significant influence on its financial and operation decisions.

Transactions conducted by the Company with related parties in 2024 and balances arising from these transactions as at 31 December 2023 were as follows:

2024	Amounts payable	Amounts receivable	Income	Expenses
INVL Asset Management UAB	53,968	1,213,879	1,414,576	400,295
Novian Technologies UAB	987	-	-	8,963
Invalda INVL AB	-	-	75,000	-
Mundus UAB (reorganised)	-	-	-	-
Novian Systems UAB	819	-	-	5,437
IPAS INVL Asset Management	-	-	36	-
INVL Life UADB	-	-	-	-
	55,774	**1,213,879**	**1,489,612**	**414,695**

2023	Amounts payable	Amounts receivable	Income	Expenses
INVL Asset Management UAB	-	1,108,295	2,359,198	49,302
Novian Technologies UAB	-	-	-	10,389
Invalda INVL AB	-	2,248	-	-
Mundus UAB	-	29,205	106,487	-
Novian Systems UAB	1,317	-	-	13,320
IPAS INVL Asset Management	-	-	44	-
INVL Life UADB	-	28	305,416	109,427
	1,317	**1,139,776**	**2,771,145**	**182,438**

Terms and conditions of transactions with related parties

Year-end balances are not covered with insurance, do not bear interest and settlements are made in cash. There were no guarantees given or received in respect of the related-party payables and receivables.

Management's remuneration

The remuneration calculated to management in 2024, including related taxes, amounted to EUR 160,240 (2023: EUR 204,593).

22. Fair value of financial instruments

To determine the fair value of financial instruments, the Company uses the following techniques and assumptions:

Cash and cash equivalents. Cash, the fair value of which is its nominal value.

Financial assets measured at fair value. These investments were measured at fair value using Level 2 valuation techniques.

Level 2. The fair value of financial assets is determined by market method. Inputs that have a significant impact on the fair value determined are observable in the market either directly or indirectly. The price of collective investment undertakings is based on the announced net asset value (NAV) of the funds at which units of the funds would be redeemed. NAV is determined using the carrying amounts method on the basis of market prices of the securities held with the funds, with reference to Bloomberg, Nasdaq and other sources that provide most reliable estimates of the market price of the securities at the reporting date. Other NAV-comprising elements of assets and liabilities (cash, payable management and custodian fees, other amounts receivable and payable) are measured at carrying amounts which correspond to their fair values. NAV is measured based on the NAV calculation methodology approved by the management company. This method is applied for measuring the Company's investments into collective investment undertakings that invest solely into quoted securities.

Fair value is defined as the amount at which an instrument could be exchanged in a current transaction between knowledgeable, willing parties in an arm's length transaction, excluding forced sale or liquidation. As the Company's financial assets and liabilities are not actively traded, fair value measurements are based on assumptions based on current economic conditions and the risks inherent in the particular instrument.

23. Correction of an error – retrospective accounting for the impact of annual VAT adjustment

The Company applies mixed VAT deduction, as part of its revenue is VAT-exempt. In 2023, the proportion of deductible VAT changed significantly due to an increase in VAT-taxable revenue. The impact of the change in the VAT deduction percentage was not recognised or accounted for in the Company's financial statements for 2023. As a result of the higher deduction percentage, the VAT payable as at 31 December 2023 and the non-deductible VAT expenses for the year then ended should have decreased by EUR 38,786. Furthermore, due to the reduction in non-deductible VAT expenses, the Company's income tax expenses should have increased by EUR 5,818, with a corresponding decrease in the income tax overpayment. As the impact of the adjustment is material to the financial statements for the year ended 31 December 2023, the adjustment has been applied retrospectively by restating the 2023 financial figures in the financial statements for 2024.

The impact of the retrospective adjustment on the relevant line items of the prior period financial statements is presented in the tables below.

Item of the statement of financial position	31 December 2023 (restated)	Adjustment impact	31 December 2023
Overpaid income tax	57,830	(5,818)	63,648
Total current assets	**1,935,324**	**(5,818)**	**1,941,142**
TOTAL ASSETS	**2,418,072**	**(5,818)**	**2,423,890**
Retained earnings (loss)	(429,204)	32,968	(462,172)
Total equity	**1,188,216**	**32,968**	**1,155,248**
Trade and other payables	255,670	(38,786)	294,456
Total amounts payable within one year and current liabilities	**899,952**	**(38,786)**	**938,738**
TOTAL EQUITY AND LIABILITIES	**2,418,072**	**(5,818)**	**2,423,890**

Item of the statement of comprehensive income	2023 (restated)	Adjustment impact	2023
Operating expenses	(4,207,830)	38,786	(4,246,616)
- whereof budget taxes, except income tax	(87,007)	38,786	(125,793)
Profit (loss) before income tax	**(301,683)**	**38,786**	**(340,469)**
Income tax (expenses) income	(8,722)	(5,818)	(2,904)
- whereof income tax expenses for the current year	(10,274)	(5,818)	(4,456)
- whereof change in deferred income tax assets	1,552	-	1,552
Net profit (loss) attributable to the Company's shareholders	**(310,405)**	**32,968**	**(343,373)**
Total comprehensive income (expenses) for the year attributable to the Company's shareholders	**(310,405)**	**32,968**	**(343,373)**

This adjustment had no impact on the total cash flows from operating, investing, or financing activities. The adjustment affected only two line items within cash flows from operating activities, with a net effect of zero.

24. Branch information

The Company has two branches in Latvia and Estonia. The branch in Latvia was registered on 19 September 2023 with the address: Elizabetes iela 10B-1, Riga. The branch in Estonia was registered on 7 October 2023 with the address: Maakri tn 23a, Tallinn.

Latvia	31 December 2024	31 December 2023
Operating income of the branch	3,053	62
Operating expenses of the branch	(143,684)	(38,266)
Operating result	(140,631)	(38,204)
Number of employees	1	1

Estonia	31 December 2024	31 December 2023
Operating income of the branch	4,125	27
Operating expenses of the branch	(694,583)	(108,211)
Operating result	(690,458)	(108,184)
Number of employees	6	6

25. Subsequent events

No significant events occurred between the date of preparation of the financial statements and the date of their approval for publication.