

LIMITED LIABILITY COMPANY  
**"Hedge Capital Company"**  
*registration number*  
40103968692

**Annual report for 2024**

*The date can be viewed in the document's signature timestamp.*

**CONTENT**

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	<b>PAGE</b>
<b>AUDITOR'S REPORT</b>	
<b>INFORMATION ABOUT COMPANY</b>	<b>3</b>
<b>MANAGEMENT REPORT</b>	<b>4-5</b>
<b>FINANCIAL STATEMENT:</b>	
<b>PROFIT OR LOSS STATEMENT</b>	<b>6</b>
<b>BALANCE</b>	<b>7-8</b>
<b>FINANCIAL STATEMENT ATTACHMENTS</b>	<b>9-15</b>

## **INDEPENDENT AUDITOR’S REPORT**

### **TO THE SHAREHOLDERS OF SIA “HEDGE CAPITAL COMPANY”**

#### *Our Opinion on the Financial Statements*

We have audited the accompanying financial statements of SIA “Hedge Capital Company” (“the Company”) set out on pages 6 to 22 of the accompanying annual report, which comprise:

- the balance sheet as at 31 December 2024,
- the profit and loss statement for the year then ended,
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of SIA “Hedge Capital Company” as at 31 December 2024, and of its financial performance for the year then ended in accordance with the ‘Law On the Annual Reports and Consolidated Annual Reports’ of the Republic of Latvia.

#### *Basis for Opinion*

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *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 Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

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

#### *Reporting on Other Information*

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

- Information about the Company, as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on pages 4 to 5 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia*

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the ‘Law On the Annual Reports and Consolidated Annual Reports’ of the Republic of Latvia.

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

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the ‘Law On the Annual Reports and Consolidated Annual Reports’ of the Republic of Latvia.

#### *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 the ‘Law On the Annual Reports and Consolidated Annual Reports’ of the Republic of Latvia 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 Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 a fair presentation.

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

Anita Kaņepa, Certified Auditor  
Certificate No. 34, LZRA  
SIA “ARMA K Revidents Auditors”,  
Chairman of the Board, LZRA License No.90

Rīga, April 23, 2025

ŠIS DOKUMENTS IR ELEKTRONISKI PARAKSTĪTS AR DROŠU ELEKTRONISKO PARAKSTU UN SATUR LAIKA ZĪMOGU.

DATUMS SKATĀMS DOKUMENTA PARAKSTA LAIKA ZĪMOGĀ.

## INFORMATION ABOUT COMPANY

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COMPANY NAME	"Hedge Capital Company"
LEGAL FORM	Limited Liability Company
REGISTRATION NUMBER IN THE REGISTER OF ENTERPRISES OF THE REPUBLIC OF LATVIA	40103968692
PLACE AND DATE OF REGISTRATION	Riga, 11 february 2016
LEGAL ADDRESS	Skanstes street 25, Riga, LV-1013
COMPANY BOARD	
	Name/Surname Daniels Jukna
	Position Member of the board (from 22.02.2024)
	Name/Surname Andrejs Saricevs
	Position Member of the board (until 22.02.2024)
SHAREHOLDERS	
	Name LLC "DKS Holding"
	Proportion of shares % 100% of the shares
	Address 'Jaunlacisi', Kaive Parish, Cesis Municipality, LV-4144
ANNUAL REPORT PREPARED BY	
	Name/Surname Irina Blohina
	Position Accountant
REPORTING YEAR	01.01.2024 - 31.12.2024
PREVIOUS REPORTING YEAR	01.01.2023 - 31.12.2023
AUDITORS AND THEIR ADDRESSES	LLC "ARMA K Revidents Auditors"
	LACA License No. 90
	P.Lejina 1-31, Riga, Latvia
	Certified Auditor Anita Kanepa
	Certificate No. 34

**MANAGEMENT REPORT**

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**Main activities**

LLC "Hedge Capital Company", hereinafter - Company, provides credit granting services. NACE2 classification code - 64.92 Other credit granting.

**Branches and representative offices abroad**

The company has no branches and representative offices abroad.

**Company's activity in the reporting year**

In 2024, new restrictions entered into force in the Republic of Latvia, and many other countries and the existing ones have strengthened in connection with the ongoing hostilities in Ukraine. As a result of hostilities, the largest Ukrainian companies, which provided other countries, including the Republic of Latvia, with raw materials and other goods, have been paralysed. To limit hostilities and support Ukraine, the countries of the world have introduced significant sanctions against Russia and Belarus. As a result of these sanctions, the import of many raw materials and products and exports have been limited. Thus, significant inflation can be observed in the sectors affected by the crisis. Taking into account the changes in the national economy of Latvia caused by the war, we have taken preventive measures to promote the company's further development. To stabilise loan repayment rates and stabilise interest income, the policy of issuing new loans and debt recovery was improved, and various automated customer management tools were introduced, which helped not to increase the number of existing employees with a significantly larger customer portfolio. As a result, in 2024, the Company continued to demonstrate strong financial performance and achieved positive profitability. The company's total revenues, incl. other economic activity revenues and other interest revenues reached 1,431,923 euros. By implementing the business strategy and all planned measures, the following financial indicators have been achieved in 2024:

<b>Profitability ratios</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Gross profitability %	67%	56%
Earnings before tax (EBT)	1%	7%
Profitability on net profit %	1%	7%

Gross profitability has increased by 11 percentage point compared to 2023, and EBT decreased by 6 percentage points. Significant growth of the loan portfolio allowed us to achieve higher profitability indicators.

**Liquidity ratios** **31.12.2024**

Current liquidity	4.71 coefficient
Total liquidity	4.71 coefficient

By the end of 2024 the Company's total liquidity ratio reached 4.71 mark.

**Future prospects and future development**

During 2024, the Company increased its loan portfolio by 18%, reaching 4.94 million euros. In 2024, the Company will continue to increase its loan portfolio using investments raised by P2P platforms Iuvo Group and Bondster. In addition, the Company is negotiating with several P2P platforms to diversify the investment flow. The management of the company highly values the trust of investors who provide significant funding for our business.

NordCard (SIA "Hedge Capital Company") has set itself the goal of becoming a non-bank lending company with the best customer service in the industry. The company has optimized costs, completed the product and significantly improved the quality of customer service. In the future, the main emphasis of the management will be on increasing the loan portfolio, optimising the evaluation process and further improving repayment indicators.

**Financial risk management**

The Company's financial risk management policy is described in financial statement attachment (note No. 24).

**Information on research and development activities**

The Company has no costs for research and development activities during the reporting year.

**MANAGEMENT REPORT**

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***The company's own shares or units***

*The company is not a shareholder.*

***Use of financial instruments***

*The Company's most significant financial instruments are loans from legal entities, trade receivables and cash and its equivalents. The main task of these financial instruments is to provide funding for the Company's business activities. The Company also has some other financial instruments, such as other receivables, trade payables and other creditors arising directly from its operations.*

***Events after the last day of the reporting year***

*The ongoing hostilities in Ukraine and the impact of sanctions are still relevant in 2025. Currently, the Company does not cooperate or plan to cooperate with partners from Russia, Ukraine, and Belarus, and the capital raised is obtained from Latvia or p2p platforms. The company's board and shareholders are only from Latvia and have not been affected by sanctions or political decisions related to the crisis. Also, the company's customers are only residents of Latvia because it operates only in Latvia. Therefore, the Company is not currently affected by the crisis, and the company's management does not foresee significant negative consequences in the near future.*

*At the moment, there is also no significant drop in borrowers' solvency, nor is it predicted that this could happen in 2025 because the company has not only implemented new borrower assessment procedures but also changed the debt recovery policy, which has allowed to achieve positive profitability in 2024, as also expects to achieve even higher profitability in 2025.*

*We are not just weathering the storm but actively steering our course to strengthen the company's position in the market in the long term. We vigilantly monitor the crisis and political decisions in Latvia to mitigate their impact on NordCard. We firmly believe every crisis presents opportunities, and we are here to seize them.*

*The financial statement has been prepared on a going concern basis and management does not see any liquidity problems regarding the above mentioned.*

***Profit distribution for the reporting year***

*The reporting year ended with profit:* 15 785 euro

*Company balance sheet value:* 5 277 438 euro

*The company's 2024 profit covers the losses of previous years by reinvesting them in the company.*

***Statement of management responsibility***

*The Company's management is responsible for the preparation of the financial statement based on the original accounting records for each reporting period that give a true and fair view of the Company's financial situation at the end of the reporting year and of the results of its operations.*

*Management confirms that in preparing this financial statement for the period ended 31 December 2024, appropriate accounting policies have been used, their application has been consistent, and reasonable and prudent decisions have been made. The management confirms that the relevant accounting principles of the Republic of Latvia have been complied with and the financial statement has been prepared in accordance with the going concern principle.*

*Management is responsible for keeping proper accounting records, for safeguarding the Company's assets, and for preventing and detecting fraud and other irregularities.*

*Management confirms that it has provided the information and explanations necessary for the audit.*

*Signature\*/Daniels Jukna/ The member of the board*

*\*This document has been electronically signed with a secure electronic signature and contains a timestamp. The date can be viewed in the document's signature timestamp.*

**PROFIT OR LOSS STATEMENT (by expenditure function)  
FOR 2024**

	Note No.	2024 <i>euro</i>	2023 <i>euro</i>
Net turnover incl.		1 361 468	1 175 257
<i>b) from other core business activities</i>	1	1 361 468	1 175 257
Cost of production, cost of goods sold or services provided	2	(451 356)	(515 911)
<b>Gross profit or loss</b>		<b>910 112</b>	<b>659 346</b>
Sales costs	3	(57 389)	(40 796)
Administration costs	4	(275 612)	(307 970)
Other operating income of the company	5	70 455	98 698
Other operating expenses of the company	6	(264 930)	(127 068)
Other interest income and similar income: incl.		172	201
<i>b) other persons</i>	7	172	201
Interest and similar costs: incl.		(367 023)	(198 476)
<i>b) other persons</i>	8	(367 023)	(198 476)
<b>Profit or loss before corporate tax</b>		<b>15 785</b>	<b>83 934</b>
Corporate income tax for the reporting period	19	-	-
<b>Profit or loss after corporate income tax</b>		<b>15 785</b>	<b>83 934</b>
<b>PROFIT OR LOSS FOR THE REPORTING YEAR</b>		<b>15 785</b>	<b>83 934</b>

*Signature\*/Daniels Jukna/ The member of the board*

*The annual report was prepared by  
Signature\*/Irina Blohina/ Accountant*

*\*This document has been electronically signed with a secure electronic signature and contains a timestamp.  
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**BALANCE SHEET**  
**December 31, 2024**

<b>ASSETS</b>		<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>Note No.</b>	<i>euro</i>	<i>euro</i>
<b>LONG-TERM INVESTMENT</b>			
<b>I. Intangible investments</b>			
Concessions, patents, licences, trade marks and similar rights	9	170 389	182 108
Other intangible investments	9	2 894	3 441
<b>Total intangible investments</b>		<b>173 283</b>	<b>185 549</b>
<b>II. Fixed assets</b>			
Other fixed assets and inventory	10	17 333	21 393
<b>Total fixed assets</b>		<b>17 333</b>	<b>21 393</b>
<b>Total long-term investment</b>		<b>190 616</b>	<b>206 942</b>
<b>CURRENT ASSETS</b>			
<b>I. Inventory</b>			
Raw materials and consumables	11	6 343	2 216
<b>Total inventory</b>		<b>6 343</b>	<b>2 216</b>
<b>II. Debtors</b>			
Trade receivables	12	4 941 549	4 173 610
Other debtors	13	4 641	14 198
Costs of future reporting periods	14	64 985	58 101
<b>Total debtors</b>		<b>5 011 175</b>	<b>4 245 909</b>
<b>IV. Cash and cash equivalents</b>	15	<b>69 304</b>	<b>69 891</b>
<b>Total current assets</b>		<b>5 086 822</b>	<b>4 318 016</b>
<b>TOTAL ASSETS</b>		<b>5 277 438</b>	<b>4 524 960</b>

**BALANCE SHEET**

**December 31, 2024**

<b>LIABILITIES</b>		<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>Note No.</b>	<i>euro</i>	<i>euro</i>
<b>OWN CAPITAL</b>			
Fixed capital	16	3 375 000	3 375 000
Retained earnings:			
Accumulated profit (loss) for the previous years		(1 622 376)	(1 706 310)
Profit or loss of the reporting year		15 785	83 934
<b>Total own capital</b>		<b>1 768 409</b>	<b>1 752 624</b>
<b>CREDITORS</b>			
<b>Long-term creditors</b>			
Other loans	17	2 429 784	2 067 792
<b>Total long-term creditors</b>		<b>2 429 784</b>	<b>2 067 792</b>
<b>Short-term creditors</b>			
Other loans	17	939 563	628 584
Debts to suppliers and employees	18	11 241	20 977
Taxes and state social insurance contributions	19	14 649	15 522
Other creditors	20	24 753	23 790
Accrued liabilities	21	89 039	15 671
<b>Total short-term creditors</b>		<b>1 079 245</b>	<b>704 544</b>
<b>Total creditors</b>		<b>3 509 029</b>	<b>2 772 336</b>
<b>TOTAL LIABILITIES</b>		<b>5 277 438</b>	<b>4 524 960</b>

*Signature\*/Daniels Jukna/ The member of the board*

*The annual report was prepared by  
Signature\*/Irina Blohina/ Accountant*

*\*This document has been electronically signed with a secure electronic signature and contains a timestamp.  
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ANNEX TO THE FINANCIAL STATEMENT  
FOR 2024

**I. EXPLANATORY NOTES TO ITEMS ON THE PROFIT OR LOSS STATEMENT**

**1 Net turnover\***

	2024	2023
	<i>euro</i>	<i>euro</i>
Interest revenue	1 010 842	922 527
Other commissions income	304 179	193 431
Remuneration for each active card account*	46 447	59 299
<b>Total</b>	<b>1 361 468</b>	<b>1 175 257</b>

**2 Cost of production, cost of goods sold and services provided**

	2024	2023
	<i>euro</i>	<i>euro</i>
Wages	155 674	151 191
Social security contributions	35 935	35 256
Rent of premises	25 014	62 584
Utilities	1 942	14 786
Depreciation of fixed assets and intangible investments	35 877	32 886
Telecommunication charges, etc.	17 319	22 479
IT costs, database subscriptions and maintenance, domains	49 180	44 697
State fee for the lending licence, etc. State fees	59 742	61 062
Delivery, manufacturing and other costs of payment cards	70 673	90 970
<b>Total</b>	<b>451 356</b>	<b>515 911</b>

**3 Sale costs**

	2024	2023
	<i>euro</i>	<i>euro</i>
Ads, marketing expenses	51 018	37 045
Traveling / subsistence allowance	4 950	3 271
Other expenses	1 421	480
<b>Total</b>	<b>57 389</b>	<b>40 796</b>

ANNEX TO THE FINANCIAL STATEMENT  
FOR 2024

4 Administration costs

	2024	2023
	<i>euro</i>	<i>euro</i>
Wages	177 398	197 866
Social security contributions	42 020	46 702
Staff sustainability events	5 761	7 298
Costs of recruitment and training	8 831	2 677
Translation services	380	552
Insurance payments	7 483	6 338
Communication expenses	5 385	7 014
Office expenses	8 294	11 835
Bank charges and similar expenses	14 842	17 256
Representation expenses	-	1 440
Premises cleaning, maintenance and repair costs	264	2 375
Other administration costs	4 954	6 617
<b>Total</b>	<b>275 612</b>	<b>307 970</b>

5 Other operating income

	2024	2023
	<i>euro</i>	<i>euro</i>
Fees for preparation references	124	124
Credit registration fee	355	425
Paid fines and penalties	69 250	97 834
Other income	726	315
<b>Total</b>	<b>70 455</b>	<b>98 698</b>

6 Other operating expenses

	2024	2023
	<i>euro</i>	<i>euro</i>
Losses from exchange rate fluctuations	29	9
Write-off of bad debtors	165 261	4 892
Provisions for doubtful debtors	20 463	67 010
Debt collection expenses	40 707	29 828
Litigation costs	38 470	25 324
Other expenses	-	6
<b>Total</b>	<b>264 930</b>	<b>127 069</b>

7 Other interest income and similar income

	2024	2023
	<i>euro</i>	<i>euro</i>
Other companies		
For a loan to a legal entity	172	201
<b>Total</b>	<b>172</b>	<b>90</b>

8 Interest and similar costs

	2024	2023
	<i>euro</i>	<i>euro</i>
Other persons		
For loans from legal entities	367 023	198 476
<b>Total</b>	<b>367 023</b>	<b>198 476</b>

ANNEX TO THE FINANCIAL STATEMENT  
FOR 2024

II. EXPLANATORY NOTES TO ITEMS ON BALANCE SHEET

A S S E T S

9 Intangible investments

	Concessions, patents, licenses, etc <i>euro</i>	Total intangible investments <i>euro</i>	Total <i>euro</i>
<i>Initial value</i>			
<b>31 December 2023</b>	439 412	9 488	448 900
Acquisition/production costs	15 430	-	15 430
<b>31 December 2024</b>	<b>454 842</b>	<b>9 488</b>	<b>464 330</b>
<i>Impairment adjustments of accumulated value</i>			
<b>31 December 2023</b>	257 304	6 047	263 351
Impairment adjustments	27 149	547	27 696
<b>31 December 2024</b>	<b>284 453</b>	<b>6 594</b>	<b>291 047</b>
<i>Balance sheet value</i>			
<b>31 December 2023</b>	<b>182 108</b>	<b>3 441</b>	<b>185 549</b>
<b>31 December 2024</b>	<b>170 389</b>	<b>2 894</b>	<b>173 283</b>

10 Fixed assets

	Other fixed assets and inventory <i>euro</i>	Total <i>euro</i>
<i>Initial value</i>		
<b>31 December 2023</b>	69 344	69 344
Acquisition/production costs	4 121	4 121
<b>31 December 2024</b>	<b>73 465</b>	<b>73 465</b>
<i>Impairment adjustments of accumulated value</i>	<i>1 444</i>	
<b>31 December 2023</b>	47 951	47 951
Impairment adjustments	8 181	8 181
<b>31 December 2024</b>	<b>56 132</b>	<b>56 132</b>
<i>Balance sheet value</i>		
<b>31 December 2023</b>	<b>21 393</b>	<b>21 393</b>
<b>31 December 2024</b>	<b>17 333</b>	<b>17 333</b>

11 Inventory

	31.12.2024 <i>euro</i>	31.12.2023 <i>euro</i>
Nordcard credit card packages	6 343	2 216
<b>Total</b>	<b>6 343</b>	<b>2 216</b>

ANNEX TO THE FINANCIAL STATEMENT  
FOR 2024

12 Trade receivables

	31.12.2024	31.12.2023
	<i>euro</i>	<i>euro</i>
Non-collateral claims on loans granted	5 200 755	4 412 353
Provisions for doubtful debtors	(259 206)	(238 743)
<b>Total</b>	<b>4 941 549</b>	<b>4 173 610</b>
<b>Movement of provisions for doubtful debts</b>	<i>euro</i>	<i>euro</i>
<b>At the beginning of the reporting year</b>	<b>238 743</b>	<b>171 733</b>
Value increase	20 463	67 010
<b>At the end of the reporting year</b>	<b>259 206</b>	<b>238 743</b>

*At the end of the reporting year, all debtors were assessed, provisions for doubtful debtors were made, and bad debts were written off as losses for the reporting year.*

13 Other debtors

	31.12.2024	31.12.2023
	<i>euro</i>	<i>euro</i>
Security deposit for rent of premises	2 269	12 038
Short-term loan to an employee	1 523	1 901
Overpaid taxes (see also note No. 20)	849	260
<b>Total</b>	<b>4 641</b>	<b>14 199</b>

14 Costs of future reporting periods

	31.12.2024	31.12.2023
	<i>euro</i>	<i>euro</i>
Employee health insurance	1 625	1 885
Database subscriptions and maintenance	4 994	4 605
Storage rental	3 117	-
Conferences and seminars	1 682	1 195
Personnel sustainability measures	3 150	-
Licence management fee	50 417	50 417
<b>Total</b>	<b>64 985</b>	<b>58 102</b>

*Costs of future reporting periods are expenses incurred before the balance sheet date, but refer to the next year.*

15 Cash and cash equivalents

	31.12.2024	31.12.2023
	<i>euro</i>	<i>euro</i>
Cash in bank accounts	69 304	69 891
<b>Total</b>	<b>69 304</b>	<b>69 891</b>

ANNEX TO THE FINANCIAL STATEMENT  
FOR 2024

LIABILITIES

16 Fixed capital

As at 31 December 2024, the registered and paid fixed capital of the Company is EUR 3,375,000, consisting of 3,375,000 shares with a nominal value of EUR 1 (one) per share.

*Company shareholders*

Capital shares	Quantity	Nominal value	Amount	Share in capital	Justification for the purchase
	<i>pieces</i>	<i>euro</i>	<i>euro</i>	<i>%</i>	
DKS Holding, LLC	3 375 000	1	3 375 000	100	-
<b>Total:</b>	<b>3 375 000</b>	<b>1</b>	<b>3 375 000</b>	<b>100</b>	

17 Other loans

**Long-term part**

Loan from a legal entity established in the European Union

**Total**

31.12.2024	31.12.2023
<i>euro</i>	<i>euro</i>
2 429 784	2 067 792
<b>2 429 784</b>	<b>2 067 792</b>

**Short-term part**

Loan from a legal entity established in the European Union

Short-term loan from a natural person

**Total**

31.12.2024	31.12.2023
<i>euro</i>	<i>euro</i>
921 563	567 584
18 000	61 000
<b>939 563</b>	<b>628 584</b>

*Loans from the financial platforms IUVO GROUP OU and Bondster marketplace s.r.o. have repayment terms until 31.12.2026, with annual interest rates ranging from 8% to 14%. Short-term loans from a private individual have repayment terms until 27.11.2025, with an annual interest rate of 12.5%. The loans have been received for working capital purposes – to support the accounts receivable portfolio. No collateral has been provided.*

18 Debts to suppliers and employees

**Short-term part**

Debts to suppliers and employees

**Total**

31.12.2024	31.12.2023
<i>euro</i>	<i>euro</i>
11 241	20 977
<b>11 241</b>	<b>20 977</b>

19 Taxes and state social insurance contributions

	(Liabilities)/ overpayment 31.12.2023	Calculated in 2023	Paid/ (repaid) in 2023	Late charges	(Liabilities)/ overpayment 31.12.2024
	<i>euro</i>	<i>euro</i>	<i>euro</i>	<i>euro</i>	<i>euro</i>
Value-added tax	(575)	(39 136)	38 874	-	(837)
Business risk fee	(5)	(49)	49	-	(5)
Personal income tax	(4 974)	(57 310)	57 822	-	(4 462)
State social insurance contributions	(9 968)	(113 756)	114 379	-	(9 345)
<b>Total</b>	<b>(15 522)</b>	<b>(210 251)</b>	<b>211 124</b>	<b>-</b>	<b>(14 649)</b>

ANNEX TO THE FINANCIAL STATEMENT  
FOR 2024

**20 Other creditors**

	31.12.2024	31.12.2023
<b>Short-term part</b>	<i>euro</i>	<i>euro</i>
Settlement of unpaid advance payments	10	156
Settlement of wages	19 872	20 983
Client surplus	4 871	2 651
<b>Total</b>	<b>24 753</b>	<b>23 790</b>

**21 Accrued liabilities**

	31.12.2024	31.12.2023
	<i>euro</i>	<i>euro</i>
Accrued liabilities from interest on platforms	77 736	5 315
Accrued liabilities for services	10 051	10 074
Accrued liabilities for vacation pay	1 252	282
<b>Total</b>	<b>89 039</b>	<b>15 671</b>

**22 Details of off-balance sheet liabilities**

At the end of the reporting year, the Company has not issued any pledge, guarantee or security.

**23 Events after the end of the reporting year**

The ongoing hostilities in Ukraine and the impact of sanctions are still relevant in 2025. Currently, the Company does not cooperate or plan to cooperate with partners from Russia, Ukraine, and Belarus, and the capital raised is obtained from Latvia or p2p platforms. The company's board and shareholders are only from Latvia and have not been affected by sanctions or political decisions related to the crisis. Also, the company's customers are only residents of Latvia because it operates only in Latvia. Therefore, the Company is not currently affected by the crisis, and the company's management does not foresee significant negative consequences in the near future.

At the moment, there is also no significant drop in borrowers' solvency, nor is it predicted that this could happen in 2025 because the company has not only implemented new borrower assessment procedures but also changed the debt recovery policy, which has allowed to achieve positive profitability in 2024, as also expects to achieve even higher profitability in 2025.

We are not just weathering the storm but actively steering our course to strengthen the company's position in the market in the long term. We vigilantly monitor the crisis and political decisions in Latvia to mitigate their impact on NordCard. We firmly believe every crisis presents opportunities, and we are here to seize them.

**24 Financial risk management**

The Company's most significant financial instruments are loans from legal entities, trade receivables and cash and its equivalents. The main task of these financial instruments is to provide funding for the Company's business activities. The Company also has some other financial instruments, such as other receivables, trade payables and other creditors arising directly from its operations.

**ANNEX TO THE FINANCIAL STATEMENT  
FOR 2024**

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The financial risks associated with the Company's financial instruments are mainly interest rate risk, liquidity risk and credit risk. The Company's management seeks to minimize the negative impact of potential financial risks on the Company's financial situation. The Company does not use derivative financial instruments for financial risk management.

*Foreign currency exchange risk*

The company operates in the local market and is minimally exposed to foreign currency exchange risk. With the current revenue-expenditure structure, additional control measures for exchange rate risk are not required. Additional risk mitigation mechanisms are not used as the total currency risk is assessed as minimal.

*Interest rate risk*

As the Company has loan liabilities, its cash-flow from financing activities is dependent on changes in market interest rates. The risk of floating interest rates has been eliminated because fixed interest rates have been set for the Company's borrowings.

*Credit risk*

The Company concentrates to minimize credit risk due to the specifics of its core business - the issuance of unsecured loans, which is associated with an increased risk of recovery of issued loans, which could cause short-term liquidity problems to meet the Company's liabilities on time. The Company's policy is to ensure maximum control procedures in the process of issuing and recovering loans, as well as in the creation of provisions, in order to ensure this, the "Loan application evaluation procedure" and "Procedure for recovery of overdue loan liabilities" have been developed.

*Liquidity risk*

The Company adheres to the precautionary principle in liquidity risk management and maintains a sufficient amount of money accordingly. The Company's management monitors liquidity reserves and makes operational forecasts based on expected cash-flow. The management believes that the Company will be able to provide a sufficient level of liquidity through its operating activities, but will be able to receive financing if necessary.

*Signature\*/Daniels Jukna/ The member of the board*

*The annual report was prepared by  
Signature\*/Irina Blohina/ Accountant*

*\*This document has been electronically signed with a secure electronic signature and contains a timestamp.  
The date can be viewed in the document's signature timestamp.*