

**Extract**  
**Unofficial translation from the Latvian version of the report**

Riga, March 15, 2024

**INDEMO SIA**

Separate financial statements of the Company for 2023 and consolidated financial statements of the Group for 2023

in accordance with  
the International Financial Reporting Standards  
approved by the EU

INDEMO SIA The Company's separate and the Group's consolidated annual report for 2023 have been prepared in accordance with IFRS as approved by the EU

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## **INFORMATION ABOUT THE COMPANY AND THE GROUP**

Company name	INDEMO SIA		
Legal status of the company	Limited liability company		
Registration No, place and date	40203401432, registered in Riga on 20 May 2022		
Legal and mailing addresses	Maza Nometnu street 10 - 2, Riga, LV-1002, Latvia		
Members and shareholding 31.12.2023	Ilja Hagins (28.09% of the Company's share capital) Andrzej Pawlow (9.33% of the Company's share capital) AS "Aquarium Investments" IPS (8.22% of the Company's share capital) Aleksandrs Vološins (7.02% of the Company's share capital) Pāvels Počtarenko (7.02% of the Company's share capital) Daniels Žirjakovs (7.02% of the Company's share capital) Mihails Porožņakovs (7.02% of the Company's share capital) Vairis Dmitrijevs (7.02% of the Company's share capital) Sergejs Viškovskis (6.55% of the Company's share capital) Baltic International Holdings LTD SIA (4.10% of the Company's share capital) Allegro Lite SIA (4.10% of the Company's share capital) Filips Sviridenko (2.46% of the Company's share capital) Amber Capital Investment Ltd (2.05% of the Company's share capital)		
Names, surnames and titles of members of the Board	Sergejs Viškovskis – Chairman of the Board Aleksandrs Vološins – Member of the Board Pāvels Počtarenko – Member of the Board Daniels Žirjakovs – Member of the Board		
Annual report prepared by	Kristīna Savinska, Chief Accountant		
Reporting period	from	01.01.2023	to 31.12.2023
Previous reporting period	from	20.05.2022	to 31.12.2022
Subsidiary company	Indemo SPV Issuer No1 SIA  Reg. No.40203462441, registered in Riga on 15 February 2023.  Maza Nometnu street 10 - 2, Riga, LV-1002, Latvia		
Auditors	Crowe DNW SIA Bauskas street 58 - 216, Riga, LV - 1010 Licence No. 157		Sworn auditor Iveta Rutkovska Certificate No 43

## **MANAGEMENT REPORT**

Indemo SIA (hereinafter referred to as the Company) was registered in the Register of Companies of the Republic of Latvia on 20 May 2022. On 15 November 2022, the Financial and Capital Market Supervisory Authority of the Republic of Latvia (the Financial and Capital Market Commission, which was integrated into the Bank of Latvia as of 1 January 2023) issued to the Company a licence to provide investment services and investment advisory services (the "Licence"), Licence Register No 06.06.08.824/547.

The company is entitled to provide the following investment services and investment ancillary services:

- Execution of orders on behalf of clients;
- Portfolio management;
- Investment advice;
- Custody of financial instruments;
- Placing of financial instruments without commitment to redeem financial instruments;
- Providing investment research, financial analysis or other general advice in relation to transactions in financial instruments;
- Provision of services related to the initial placement of financial instruments.

The company is managed by a team of highly qualified managers with long-term experience in financial markets, investment services and capital management. The chairman of the board of the company is Sergejs Viškovskis, and Aleksandrs Vološins, Pāvels Počtareņko and Daniels Žirjakovs are members of the board.

None of the Company's officials left the mentioned positions during the reporting year.

The Company's legal and head office address is Maza Nometņu Street 10-2, LV-1002, Riga, Latvia

### **2023 review**

In the reporting year 2023, the Company has continued active work on the creation of a convenient, understandable and informative online investment platform INDEMO.EU (hereinafter referred to as the Platform), where investors have the opportunity to invest in financial instruments secured by assets, including notes.

To fulfill this goal, in January 2023, the Company has completed the process of increasing its own and share capital by attracting financing in the amount of EUR 437 500.68 from new and existing members.

In the first half of 2023, the Company's management focused on the preparation for the start of the provision of investment services, i.e. the launch of the Platform, which included the attraction of cooperation partners - lending companies and the establishment of business relations, the provision of human resources and technological resources.

For this purpose, the Company has established a subsidiary Indemo SPV Issuer No1 SIA (reg. no 40203462441), which was entered in the Commercial Register on 15.02.2023, of which the Company is a 100% shareholder, and which is used as a special purpose company, namely to take over the credit claims and issue and place the financial instruments (notes) backed by these credit claims through the Platform managed by the Company

In May 2023, the Bank of Latvia approved the base prospectus for the notes prepared by Indemo SPV Issuer No1 SIA, which was intended to offer clients - investors an instrument whose return is based on the results of recovery / restructuring of several non-performing loans (NPLs) (discounted debts note). The investor receives an implicit exposure to the discounted NPL in proportion to the investment made, and its yield depends on the outcome and speed of debt recovery. The terms and conditions for the distribution of the profit are set out in the terms of issue. The said defaulted mortgage loans are issued in Spain and are serviced by a professional credit servicing company supervised by the Central Bank of Spain.

The preparatory actions resulted in the Platform being launched in test mode in June 2023. Following the completion of all operational, marketing and IT preparations, the Platform became available for registration to all interested customers from September 2023.

Since the launch of the Platform until the end of the year under review, 405 users and a portfolio of financed notes amounting to EUR 1 162 884 have been registered on the Platform.

Given that the Company's business strategy is to export investment services to EU/EEA Member State markets, the Company has applied to provide cross-border services within the EU/EEA through the freedom to provide services (so-called passporting) in the 2023 framework. Currently, the Company is also entitled to provide services in Germany, Spain, France, Italy, Austria, Belgium, Netherlands, Luxembourg, Portugal, Czech Republic, Lithuania and Estonia.

#### **Financial results**

2023 is the first actual year of operation of the Company, which means that significant equity resources were used to prepare the launch of the Platform. In 2023, the Company generated fee income of EUR 58 644 and closed the year with a loss of EUR 333 193.

The Company has achieved the business objective of launching the Platform in 2023 within the regulatory framework, the Company's management has been able to coordinate with the supervisory authority, find a market outlet and establish positive customer interest in the investment products offered by the Company, which were previously unavailable in the retail segment.

With a view to fostering faster growth, achieving the 2024 targets and increasing the Company's human resources and internal management, the Company is carrying out a process of equity and share capital increase in the first quarter of 2024, which is expected to be successfully completed in April 2024, raising up to EUR 500 000 in financing.

#### **Risk management**

The Company has developed and in 2023 continued to improve its risk management framework to ensure successful and efficient operations, sound risk management, compliance with internal and external regulations, maximisation of good accounting practices and accurate disclosure of information within the Company's structure. Risks and their management are an integral part of the Company's operations and are described in the section "Risk Management" in the notes to the financial statements.

#### **Sustainability and charity**

The Company considers as one of its priorities the further implementation of the principles of Environmental, Social and Corporate Governance (ESG) in its operations. The Company continues to implement the key principles of sustainability in its internal policies, procedures, processes. This includes the Company's plans to increase energy efficiency, promote healthy and responsible lifestyles for employees and their families, improve employee motivation through employee engagement surveys, motivate employees to improve their professional competencies and skills and other measures to implement the ESG policy.

In 2024, the Company plans to actively engage and involve its clients in charitable projects, supporting social projects, the medical and health sectors, education, environmental protection and culture, as well as other areas of importance to society as a whole. The Company plans to introduce functionality on the Platform to allow client-investors to allocate a portion of their investment returns to charitable projects.

#### **Plans for the future**

In 2024, the Company's strategic plan is to focus on:

- actively attracting new customers in emerging markets;
- building trust and developing relationships with existing customers;
- adding new UX/UI functional modules to the Platform and enhancing existing ones;
- launching a new product on the Platform, a mortgage loans note based on multiple mortgage cover.

*Chairman of the Board:*  
Sergejs Viškovskis

15 March 2024

*Members of the Board:*  
Aleksandrs Vološins  
Pāvels Počtarenko  
Daniels Žirjakovs

## **STATEMENT ON MANAGEMENT RESPONSIBILITY**

The Management Board of the Company is responsible for the preparation of the separate and consolidated financial statements of the Company in accordance with the requirements of the laws and regulations of the Republic of Latvia that give a true and fair view of the financial position of the Group and the Company at the end of the reporting year and of the results of its operations and cash flows for the year then ended.

The financial statements on pages 7 to 26 have been prepared on the basis of the supporting documents and give a true and fair view of the financial position and performance of the Group and the Company as of 31 December 2023.

The management report set out on pages 4 and 5 presents a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their future prospects.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union on a going concern basis. Appropriate accounting policies have been consistently applied in their preparation.

The judgements and assumptions made by management in the preparation of the financial statements have been prudent and reasonable.

The Group's and the Company's management is responsible for maintaining adequate accounting records, safeguarding assets and detecting and preventing fraud and other irregularities. Management is also responsible for compliance with the laws and regulations of the countries in which the Group and the Company operate.

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Pāvels Počtarenko  
Daniels Žirjakovs

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**INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME**

	Annex number	2023 The Group EUR	2023 The Company EUR	2022 The Company EUR
Commissions and similar income	4	58 644	58 644	-
<b>Net commission income</b>		<b>58 644</b>	<b>58 644</b>	<b>-</b>
Administrative expenses	5	(323 100)	(322 797)	(3 533)
Sales expenses	6	(65 090)	(65 090)	(783)
Other revenue	7	5 912	5 912	-
Other expenses	8	(9 855)	(9 855)	-
<b>Total expenses</b>		<b>(392 133)</b>	<b>(391 830)</b>	<b>(4 316)</b>
<b>Loss before income tax</b>		<b>(333 489)</b>	<b>(333 186)</b>	<b>(4 316)</b>
Corporate income tax	11	(57)	(7)	-
<b>Loss for the year under review</b>		<b>(333 546)</b>	<b>(333 193)</b>	<b>(4 316)</b>
<b>Total comprehensive loss for the reporting period</b>		<b>(333 546)</b>	<b>(333 193)</b>	<b>(4 316)</b>

The Annexes on pages 11 to 26 are an integral part of these financial statements.

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15 March 2024

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### STATEMENT OF FINANCIAL POSITION

	Annex number	2023 The Group EUR	2023 The Company EUR	2022 The Company EUR
<b>ASSETS</b>				
Intangible investments	9	31 622	31 622	-
Fixed assets	9	3 780	3 780	-
Investments in the capital of affiliated companies	10	-	2 800	-
Deferred expenses		3 552	3 552	-
Other assets	13	20 127	20 127	92
Cash and cash equivalents	12	305 013	302 516	198 570
<b>TOTAL ASSETS</b>		<b>364 094</b>	<b>364 397</b>	<b>198 662</b>
<b>EQUITY AND LIABILITIES</b>				
Liabilities	14	44 321	44 271	2 893
Deferred income		20 000	20 000	0
<b>Total liabilities</b>		<b>64 321</b>	<b>64 271</b>	<b>2 893</b>
Share capital	15	213 658	213 658	175 310
Share premium	15	423 977	423 977	24 775
Retained profit				
a) Profit / (loss) for the year		(333 546)	(333 193)	(4 316)
b) previous year's profit / (loss)		(4 316)	(4 316)	-
<b>Total equity</b>		<b>299 773</b>	<b>300 126</b>	<b>195 769</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>364 094</b>	<b>364 397</b>	<b>198 662</b>

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**STATEMENT OF CHANGES IN EQUITY AND RESERVES**

	Equity	Share premium	Accumulated losses	Total
	EUR	EUR	EUR	EUR
<b>THE GROUP</b>				
Contribution to equity	175 310	24 775	-	200 085
Loss for the year under review	-	-	(4 316)	(4 316)
<b>Balance 31.12.2022</b>	<b>175 310</b>	<b>24 775</b>	<b>(4 316)</b>	<b>195 769</b>
Contribution to equity	38 348	399 202	-	437 550
Loss for the year under review	-	-	(333 546)	(333 546)
<b>Balance 31.12.2023</b>	<b>213 658</b>	<b>423 977</b>	<b>(337 862)</b>	<b>299 773</b>
<b>THE COMPANY</b>				
Contribution to equity	175 310	24 775	-	200 085
Loss for the year under review	-	-	(4 316)	(4 316)
<b>Balance 31.12.2022</b>	<b>175 310</b>	<b>24 775</b>	<b>(4 316)</b>	<b>195 769</b>
Contribution to equity	38 348	399 202	-	437 550
Loss for the year under review	-	-	(333 193)	(333 193)
<b>Balance 31.12.2023</b>	<b>213 658</b>	<b>423 977</b>	<b>(337 509)</b>	<b>300 126</b>

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**CASH FLOW STATEMENT**

	Annex	2023 The Group EUR	2023 The Company EUR	2022 The Company EUR
<b>Cash flow from operating activities</b>				
Loss before tax		(333 489)	(333 186)	(4 316)
<b>Adjustments for:</b>				
Amortisation and depreciation	9	3 034	3 034	-
Changes in deferred charges		(3 552)	(3 552)	-
Changes in other assets		(20 035)	(20 035)	(92)
Changes in other liabilities		41 371	41 371	2 893
Changes in deferred income		20 000	20 000	-
<b>Net cash flow from operating activities</b>		<b>(292 671)</b>	<b>(292 368)</b>	<b>(1 515)</b>
<b>Cash flow from investing activities</b>				
Purchase of intangible investments, fixed assets	9	(38 436)	(38 436)	-
Investments in the capital of affiliated companies	10	-	(2 800)	-
<b>Net cash flow from investing activities</b>		<b>(38 436)</b>	<b>(41 236)</b>	<b>-</b>
<b>Cash flow from financing activities</b>				
Contribution to equity		437 550	437 550	200 085
<b>Net cash flow from financing activities</b>		<b>437 550</b>	<b>437 550</b>	<b>200 085</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>106 443</b>	<b>103 946</b>	<b>198 570</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>198 570</b>	<b>198 570</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	12	<b>305 013</b>	<b>302 516</b>	<b>198 570</b>

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