Limited Liability Company

NECTARO CHARLIE

Annual Report

Prepared in accordance with the IFRS accounting standards as adopted in the European Union

For the period 11.06.2024-31.12.2024

and the Independent Auditors' Report

CONTENTS

Information about the Company

Company name	NECTARO CHARLIE
Legal status	Limited Liability Company
Registration number, place and date	40203568286 Riga, 11 June 2024
Address	Jeruzalemes Street 1, Riga, LV-1010 Latvia
Full name and address of the shareholder	Nectaro SIA Jeruzalemes Street 1, Riga, LV-1010 Latvia Shareholding in the capital: 100%
Names, surnames, and positions of the Management Board members	Sigita Kotlere – Member of the Board (since 1 September 2023) Igors Petrovs – Member of the Board (since 30 April 2025) Anna Berezovska – Member of the Board (from 4 December 2023 to 23 April 2025) Dmitrijs Cimbers – Member of the Board (from 1 September 2023 to 4 December 2023)
Annual report prepared by	The Management Board
Reporting period	11 June 2024 – 23 April 2025
Auditor	Raivis Jānis Jaunkalns Certified Auditor of the Republic of Latvia, Certificate No. 237 SIA „BDO ASSURANCE” Mihaila Tāla Street 1, Riga, LV-1045, Latvia License No. 182

STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Appendix	11.06.2024–31.12.2024
		EUR
Administrative expenses	**2**	(194)
Loss before corporate income tax		**(194)**
Total comprehensive loss for the reporting period		**(194)**

Appendices from pages 9 to 17 are an integral part of these financial statements.

Sigita Kotlere	Igors Petrovs
Member of the Board	Member of the Board

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STATEMENT OF FINANCIAL POSITION

	Appendix	11.06.2024–31.12.2024 EUR
Assets		
Non-current assets		
Intangible assets	**3**	850
Total non-current assets		**850**
Current assets		
Prepaid expenses		**36**
Cash and cash equivalents	**4**	1 797
Total current assets		**1 833**
Total assets		**2 683**

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STATEMENT OF FINANCIAL POSITION

	Appendix	11.06.2024–31.12.2024
		EUR
Passive		
Liabilities		
Current liabilities		
Other liabilities	**5**	77
Total current liabilities		**77**
Total liabilities		**77**
Equity and reserves		
Share capital	**6**	2 800
Losses from previous years		-
Profit/(loss) for the reporting year		(194)
Total equity and reserves		**2 606**
Total liabilities and equity		**2 683**

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Sigita Kotlere — Member of the Board

Igors Petrovs — Member of the Board

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Reporting period **11.06.2024 – 31.12.2024**			
	EUR	**EUR**	**EUR**
June 11, 2024	**2 800**	-	**2 800**
Losses for the reporting period	-	(194)	(194)
December 31, 2024	**2 800**	**(194)**	**2 606**

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CASH FLOW STATEMENT

	Appendix	11.06.2024–31.12.2024 EUR
Cash flow from operating activities		
Loss before corporate income tax		(194)
Adjustments for:		
Amortisation/depreciation of intangible assets	**3**	-
(Increase)/decrease in accrued income and prepaid expenses		(36)
Increase in other liabilities		77
Increase in cash and cash equivalents from operating activities before corporate income tax		**(153)**
Corporate income tax paid		**-**
Net cash flow from operating activities		**(153)**
Purchase of fixed assets and intangible investments	**3**	(850)
Net cash flow from investing activities		(1 003)
Cash flow from financing activities		
Increase of share capital		2 800
Increase in cash and cash equivalents from financing activities		2 800
Net increase in cash and cash equivalents		**1 797**
Cash and cash equivalents at the beginning of the reporting year		**-**
Cash and cash equivalents at the end of the reporting year	**4**	**1 797**

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NOTES TO THE FINANCIAL STATEMENTS

(1) General information and accounting valuation methods – general principles

Information about the Company

Limited Liability Company Nectaro Charlie ("the Company") is a limited liability company. The Company's registered and mailing address is Jeruzalemes Street 1, Riga, LV-1010, Latvia. The Company's shareholder is Nectaro SIA, Jeruzalemes Street 1, Riga, LV-1010, Latvia, which owns 100% of the Company's share capital. The Company is a special purpose entity that acts as an agent in securitization transactions. According to the NACE Rev. 2 classification, the Company's principal activity is "Other financial service activities, except insurance and pension funding" (6499).

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Accounting Law and International Financial Reporting Standards (IFRS) as adopted by the European Union, the International Accounting Standards (IAS) and related interpretations (together referred to as IFRS), issued by the International Accounting Standards Board (IASB), effective as of 31 December 2024, on the assumption that the Company will continue as a going concern in the foreseeable future.
The statement of comprehensive income has been prepared using the function of expense method. The cash flow statement has been prepared using the indirect method. The financial statements have been prepared on a historical cost basis.

The Company qualifies as a micro-entity and, in accordance with Section 56 of the "Annual Financial Statements and Consolidated Financial Statements Law," has used the right not to prepare a management report.

The financial statements are presented in euros (EUR), unless otherwise stated. The functional currency during the reporting period was EUR. The financial statements cover the period from June 2024 to 31 December 2024, in accordance with Section 24 of the "Annual Financial Statements and Consolidated Financial Statements Law," which allows a newly established company's first financial year to cover a period shorter or longer than 12 months, but not longer than 18 months.

The Company's management approved the financial statements for publication on 30 April 2025.

Significant accounting principles

The financial statements have been prepared in accordance with the following principles:

1. going concern principle
2. prudence principle, meaning:
   - Only profits earned during the reporting period are included in the financial statements,
   - All foreseeable risk amounts and losses arising during the reporting period are taken into account, even if such items were identified after the reporting period end but before the financial statements were prepared,

- All impairment and amortization amounts are calculated and recognized regardless of whether the financial result is profit or loss.

3. Income and expenses are recognized in the reporting year regardless of the date of payment or the date an invoice is received or issued. Expenses are matched with the related income of the reporting period.
4. Assets and liabilities are measured individually.
5. All items that have a material impact on users' evaluation or decision-making are disclosed, while immaterial items are aggregated, with details provided in the notes.
6. Transactions are accounted for based on their substance and economic reality rather than solely their legal form.

Changes in accounting policies

The following amendments became effective for the period beginning on 1 January 2024:

- Supplier finance arrangements *(Amendments to IAS 7 and IFRS 7);*
- Lease liabilities in sale and leaseback transactions *(Amendments to IFRS 16);*
- Classification of liabilities as current or non-current *(Amendments to IAS 1);* and
- Non-current liabilities with covenants *(Amendments to IAS 1).*

These amendments to various IFRS standards are mandatory for reporting periods beginning on or after 1 January 2024.

Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

On 25 May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:Disclosures.
These amendments require companies to provide specific qualitative and quantitative disclosures about supplier finance arrangements. They also clarify guidance on the characteristics of such arrangements.

Lease liabilities in sale and leaseback transactions (Amendments to IFRS 16)

On 22 September 2022, the IASB issued amendments to IFRS 16 Leases regarding lease liabilities in sale and leaseback transactions.
Before these amendments, IFRS 16 did not provide specific requirements for measuring lease liabilities that include variable lease payments arising from sale and leaseback transactions. The amendments require a seller-lessee to determine the "lease payments" or "revised lease payments" in such a way that it does not recognize any gain or loss related to the retained right of use of the asset.
These amendments did not affect the Company's financial statements.

Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to IAS 1)
In January 2020, the IASB issued amendments to IAS 1 Classification of Liabilities as Current or Non-current, and in October 2022, amendments to *IAS 1 Non-current Liabilities with Covenants*.
These amendments clarify the following:

- The Company must have the right to defer settlement of a liability for at least twelve months after the reporting period, and this right must exist at the end of the reporting period.

- If the Company's right to defer settlement depends on covenants, such covenants affect the existence of the right at the reporting date only if the Company is required to comply with the covenants during the reporting period.
- The classification of liabilities as current or non-current is not affected by the probability that the Company will exercise its right to defer settlement.
- If liabilities can be settled by issuing the Company's own equity instruments, such settlement conditions do not affect their classification unless the option is classified as an equity instrument.

These amendments did not affect the measurement of any items in the Company's financial statements. However, the classification of some borrowings changed from non-current to current because the amendments were applied in the current financial year as well as in the comparative period.

a) New standards, interpretations, and amendments not yet effective

There are several IFRS amendments and interpretations issued but not yet effective in current accounting periods. The Company has decided not to apply them early.

The following amendments will become effective for the reporting period beginning on 1 January 2025:

Lack of exchangeability *(Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates)*

The following amendments will become effective for the reporting period beginning on 1 January 2026:

- Amendments to classification and measurement of financial instruments *(Amendments to IFRS 9 Financial Instruments and IFRS 7)*
- Contracts for renewable electricity *(Amendments to IFRS 9 and IFRS 7)*

The following new standards will become effective for the reporting period beginning on 1 January 2027:

- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The Company is currently assessing the impact of these new standards and amendments.

IFRS 18 – Presentation and Disclosure in Financial Statements

This standard, issued by the IASB in April 2024, replaces IAS 1 and introduces significant changes to IFRS, including amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (previously titled "Accounting policies, changes in accounting estimates and errors"). Although IFRS 18 will not affect the recognition and measurement of items in the Company's financial statements, it is expected to significantly affect the presentation and disclosure of certain items.These changes include the introduction of new categories and subtotals in the statement of profit or loss, changes to the principles of grouping/splitting and labelling information, and the disclosure of management-defined performance measures.

The Company does not expect to be eligible to apply IFRS 19.

Related Parties

Related parties are individuals or legal entities that are related to the Company according to the rules specified below.

(a) An individual or that individual's close family member is considered related to the reporting entity if that person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity or its parent company.

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

- the legal entity and the reporting entity are part of the same group (which means that each parent, subsidiary, and fellow subsidiary are related to each other);
- one entity is an associate or joint venture of the other entity (or of a fellow subsidiary of the group to which the other entity belongs);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity, and the other entity is an associate of the same third entity;
- the legal entity is controlled, or jointly controlled, by a person mentioned in point (a);
- a person referred to in point (a)(i) has significant influence over the entity or is a member of its (or its parent's) key management personnel;
- the entity or a member of the group to which it belongs provides key management personnel services to the reporting entity or its parent.

A related party transaction is the transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Financial Instruments

A financial instrument is a contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial assets include receivables from customers and clients, receivables from related parties, other assets, cash and cash equivalents. The Company's financial liabilities include payables to suppliers and other creditors arising directly from its operating activities.

Financial assets and liabilities are recognized in the statement of financial position on the date when the contractual provisions of the instrument become binding on the Company. Regular way purchases of financial assets are accounted for on the settlement date.

Initial recognition. Financial assets are classified as measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. The classification depends on both of the following:

- the business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial asset.

Except for trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus, if not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset.

Subsequent measurement. After initial recognition, financial assets are measured at:
a) amortized cost;
b) fair value through other comprehensive income; or
c) fair value through profit or loss.

A financial asset is measured at amortized cost if both of the following conditions are met:
a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income. However, for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the Company may, at initial recognition, make an irrevocable election to present subsequent changes in fair value in other comprehensive income.

Derecognition. The Company derecognizes a financial asset only when:
a) the contractual rights to the cash flows from the financial asset expire, or
b) it transfers the financial asset and the transfer qualifies for derecognition.

The Company transfers a financial asset only when it has:
a) transferred the contractual rights to receive the cash flows from the financial asset; or
b) retained the contractual rights to receive the cash flows from the financial asset but has assumed a contractual obligation to pay the cash flows to one or more recipients.

Impairment. The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost or at fair value through other comprehensive income. The purpose of the impairment assessment is to recognize expected credit losses over the entire lifetime of financial instruments for which credit risk has increased significantly since initial recognition, based on all reasonable and supportable information available, including forward-looking information, and whether the assessment is made on an individual or collective basis. If the credit risk on a financial instrument has increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses at each reporting date. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses.
The Company applies the simplified approach to trade receivables, under which loss allowances are always measured at an amount equal to lifetime expected credit losses.

Offsetting. Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Fair Value of Financial Assets and Liabilities

Fair value represents the amount for which an asset could be exchanged or a liability settled in an arm's length transaction between unrelated parties, or by using the discounted future cash flow method. All financial assets and liabilities are short-term, and their fair values approximately equal their carrying amounts.

Accrued Income and Prepaid Expenses

This item represents income relating to the reporting year or prior years that has not yet been received by the end of the reporting period, as well as expenses incurred by the end of the reporting year but relating to future periods.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and unrestricted bank balances with an original maturity of less than or equal to 90 days, and which are not subject to contractual restrictions. Cash and cash equivalents are stated at amortized cost. The figures presented in these financial statements are expressed in euros (EUR). All transactions in foreign currencies are translated into EUR at the official exchange rate set by the European Central Bank on the transaction date. On the last day of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rate set by the European Central Bank in effect at the balance sheet date (end of day). Gains or losses resulting from fluctuations in foreign exchange rates are presented on a net basis in the profit or loss statement for the reporting period. No foreign currency transactions were carried out during the reporting period.

Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are stated at acquisition cost less accumulated amortization or depreciation. Amortization and depreciation are recognized in the statement of comprehensive income over the useful life of the asset. The useful life of each intangible asset and item of property, plant and equipment is assessed individually, taking into account the terms of the relevant agreements and/or based on the period over which economic benefits from the asset are expected to be obtained.
Computer software is amortized over 3–5 years, and property, plant and equipment are depreciated over 4–8 years. The methods of calculating amortization and depreciation, the useful lives, and the residual values are reviewed annually. Depreciation is calculated on a straight-line basis over the useful life of the assets. The depreciation rates used range from 20% to 33% per year.

Provisions for Liabilities

Provisions for liabilities and payments are recognized when the Company has legal or possible obligations arising from past events that will result in a decrease in assets upon settlement, and the Company can make a reliable estimate of the obligations.

Revenue and Expense Recognition

The Company is a special purpose entity acting as an agent in securitization transactions. Income and expenses related to the reporting period are included in the profit or loss statement regardless of the date of receipt or payment.

Corporate Income Tax

In accordance with Paragraph 17(12)(1) and (3) of the Corporate Income Tax Law, which provides that a company registered in the commercial register during the reporting year or that has made personal income tax or state social insurance mandatory contributions of at least 100 euros per employee during the reporting year may be exempt from calculating corporate income tax of EUR 50 — no corporate income tax was calculated or recognized for the reporting period.

Contingent Liabilities and Assets

No contingent liabilities have been recognized in these financial statements. They are recognized as liabilities only if the probability of funds being spent becomes sufficiently certain. Contingent assets are not recognized in these financial statements, but are disclosed only when the probability that the economic benefits associated with the transaction will flow to the Company becomes sufficiently certain.

Equity and Reserves

Equity includes share capital and retained earnings.

Use of Estimates

In preparing the financial statements, the Company's management makes estimates and assumptions that affect the amounts of assets and liabilities and contingent liabilities at the date of the financial statements, as well as the amounts of income and expenses for the reporting period presented in the financial statements. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which such estimates are reviewed, if the changes affect only that period, or in the period in which such estimates are reviewed and future periods if the changes affect both the current and future periods.

Off-balance sheet assets and liabilities

The Company's transactions related to securitisation and settlements with investors are accounted for separately from the Company's other transactions. In these off-balance sheet transactions, according to the concluded agreements, the Company does not assume the risks and rewards from the transactions, nor does the Company have the right to freely dispose of the assets and liabilities arising from the securitisation transactions. Transactions with these assets and liabilities are governed by the concluded agreements.

The main categories of off-balance sheet assets are securitised loans (which serve as collateral for issued asset-backed debt securities) and settlements with the brokerage company. The main categories of off-balance sheet liabilities are obligations towards investors who have invested in the asset-backed debt securities.

Off-balance sheet also includes the income from transactions with securitised loans and the expenses incurred to cover the interest payments due to the holders of the securities. In cases where differences arise between the interest income recognised during the period and the interest expenses due to differences in interest calculation dates, payment due dates, or similar mismatches, the Company reverses the excess amount of income over expenses and recognises a liability to the counterparty.

Events after the balance sheet date

The financial statements reflect such events occurring after the end of the reporting year that provide additional information on the Company's financial position as at the balance sheet preparation date (adjusting events). If the events after the end of the reporting year are non-adjusting, they are disclosed in the notes to the financial statements only if they are material.

(2) Administrative expenses

	11.06.2024 – 31.12.2024
	EUR
Office expenses	145
Payments for work and services	41
Banking services	8
	194

(3) Intangible assets

	Concessions, patents, licences, trademarks, and similar rights
Acquisition cost	
Acquisition cost as of 11.06.2024	**-**
Acquired during the reporting period	850
Acquisition cost as of 31.12.2024	**850**
Depreciation and amortisation as of 11.06.2024	-
Calculated during the reporting period	-
Depreciation and amortisation as of 31.12.2024	**-**
Carrying amount 11.06.2024	**-**
Carrying amount as of 31.12.2024	**850**

(4) Cash and Cash Equivalents

Cash and cash equivalents consist of settlement accounts.

	31.12.2024
	EUR
AS "SWEDBANK" (Riga)	1 797
	1 797

(5) Other Liabilities

	31.12.2024
	EUR
Payables for services	77
	77

(6) Share Capital

As of 31 December 2024, the fully paid-up share capital consists of 28 ordinary voting shares with a nominal value of EUR 100 each. The shareholder of the Company is Nectaro SIA, which holds 100% of the Company's share capital.

(7) Transactions with Related Parties

During the reporting period, Nectaro Alpha SIA received expense compensation services from the related company Nectaro SIA in the total amount of EUR 75.

Balance sheet items	**31.12.2024**
	EUR
Payables to related parties	77

All transactions were made on an arm's length basis and at market prices.

(8) Off-balance sheet items

The table shows the current balances of assets and liabilities as of 31 December 2024.

	2024
	EUR
Assets	
Securitised loans	617 660
Total assets	617 660
Liabilities	
Settlements with investors	617 660
Total liabilities	617 660

(9) Events after the end of the reporting year

During the period between the last day of the reporting year and the date on which the Management Board signs the annual report, there have been no significant or extraordinary circumstances that would affect the annual results and the financial position of the Company.

Sigita Kotlere	Igors Petrovs
Member of the Board	Member of the Board

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