NASDAQ CSD SE

(REGISTRATION NUMBER 40003242879)

2024 ANNUAL REPORT

PREPARED IN ACCORDANCE WITH
THE LAW ON ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS OF THE REPUBLIC OF LATVIA
AND INDEPENDENT AUDITORS' REPORT*

Riga, 2025

* This version of financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.

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General information

Name of the entity	Nasdaq CSD SE
Legal form	European Company (Societas Europaea)
Registration number, place and date	40003242879 Riga, 9 January 1995 Re-registration in the Commercial Register: 16 April 2004 with the single registration number 40003242879
Registered office	Vaļņu iela 1 Riga, Latvia, LV-1050
Members of the Management Board	Indars Aščuks - Chairman of the Management Board Kristi Sisa - Deputy Chairman of the Management Board Audrius Žakas - Member of the Management Board Magnus Asgeirsson - Member of the Management Board
Members of the Council	Arminta Saladžiene - Chairman of the Council Peter Nyberg - Deputy Chairman of the Council Irina Slinko - Member of the Council Urmas Kaarlep - Independent Member of the Council Darius Petrauskas - Independent Member of the Council Elmārs Prikšāns - Independent Member of the Council
Branches	Estonian branch of Nasdaq CSD SE Maakri 19/1, 10145 Tallinn, Estonia Lithuanian branch of Nasdaq CSD SE Konstitucijos ave. 29 LT-08105 Vilnius, Lithuania Icelandic branch of Nasdaq CSD SE Laugavegur 182 105 Reykjavík, Iceland
Financial year	1 January 2024 - 31 December 2024
Auditors	Dace Negulinere Sworn auditor of the Republic of Latvia Certificate Nr. 175 SIA „Ernst & Young Baltic” Muitas iela 1A, Riga Latvia, LV – 1010 Licence Nr.17

Management report

6 June 2025

Business profile

Nasdaq CSD SE (Societas Europaea) (hereinafter - Nasdaq CSD SE or the Company) acts as the regional Central Securities Depository in the Baltics and Iceland. It provides post-trade infrastructure and a wide range of securities services for Baltic and Icelandic market participants. The core business activities of Nasdaq CSD SE comprises the accounting for and safe custody of publicly issued securities, settlement of securities and cash as well as development and maintenance of registers required for accounting and safe custody of securities.

Financial operations of Nasdaq CSD during the reporting year

In 2024, Nasdaq CSD SE earned a profit of EUR 6 188 687 (before tax), which is EUR (116 621) less than in 2023. The net profit margin was 31% (in 2023: 33%).

Nasdaq CSD revenue for 2024 amounted to EUR 16.54 million. (EUR 15.71 million in 2023) Services provided by Nasdaq CSD SE comprised 21% (2023: 19%), Nasdaq CSD Estonian branch - 19% (2023: 20%), Nasdaq CSD Lithuanian branch - 19% (2023: 19%) and Nasdaq CSD Icelandic branch - 41% (2023: 42%) of total revenue.

Information about the Estonian, Icelandic and Lithuanian branch

Nasdaq CSD SE was established in 2017 following the cross-border merger of the three former Central Securities Depositories:

- Akciju sabiedrība "Latvijas Centrālais depozitārijs" in the Republic of Latvia;
- AS Eesti Väärtpaberikeskus in the Republic of Estonia and;
- Lietuvos centrinis vertybinių popierių depozitoriumas in the Republic of Lithuania.

In May 2020, Nasdaq CSD was authorized by the Latvian FSA to open and operate a branch in Iceland.

Nasdaq CSD SE acts as the Central Securities Depository (CSD) authorized by the Financial Capital Market Commission in Latvia to provide depository services under the CSD Regulation in Latvia and through its branches in Estonia, Iceland and Lithuania, and as the registrar of the Estonian Register of Securities through its Estonian branch.

Main activities and developments in 2024

During 2024, the following strategic initiatives were in focus for Nasdaq CSD:

- Further developments of E-Services portal and Investor Analytics offering,
- Core CSD system adaptations to comply with SCoRE and ECMS,
- Adaptations to provide Issuer CSD services to foreign share issuers,
- Link with Clearstream Banking AG project,
- Latvian Savings Notes service further enhancements,
- LEI service growth,
- Participation in the procurement of the Estonian pension registry services for the next term (2025-2029),
- Exploring AI tools for internal efficiencies.

Further developments of E-Services portal and Investor Analytics offering

Nasdaq CSD continued to focus on enhancing the value proposition for issuers and improving efficiency by further developing service its service offerings. The E-Services portal, an online platform designed for issuers, has been enhanced by broadening the range of corporate action types that can be submitted to the CSD through the portal. Further automations were introduced in the portal to improve Nasdaq CSD internal processes. Additional improvements were made to the Investor Analytics offering that provides an analytical tool for issuers to access valuable investor data.

Core CSD system adaptations to comply with SCoRE and ECMS

Nasdaq CSD proceeded with the gradual implementation of the Single Collateral Management Rulebook for Europe (SCoRE) and the Eurosystem Collateral Management System (ECMS) required changes in the core CSD system. Extensive ECMS operations testing was conducted during 2024 and will continue in 2025 in preparation for the 2025 launch by the European Central Bank.

Adaptations to provide Issuer CSD services to foreign share issuers
Nasdaq CSD adapted its core CSD infrastructure to enable Issuer CSD services to foreign issuers. Equities issuer from Luxembourg was successfully serviced through this upgraded infrastructure by registering and maintaining equities in Nasdaq CSD.

Link with Clearstream Banking AG project
Nasdaq CSD finalized implementation of the Investor CSD link with Clearstream Banking AG that enabled further improvements and efficiencies in services related to foreign securities access. The set-up of the link will also enable Nasdaq CSD to provide intra-CSD settlement of foreign securities in case of dual listings in Baltic.

Latvian Savings Notes service further enhancements
Further developments were carried out for the Latvian Savings Notes service to enhance usability and service operations. A new automatic reinvestment functionality was designed in close cooperation with the Treasury of the Republic of Latvia, implementation was started aiming for launch early 2025.

LEI service growth
Nasdaq CSD continued to focus on expanding its LEI service customer base and planning further growth. The scope of jurisdictions was expanded, along with service provisions to fund managers in selected areas. The team focused on adapting service offering to registration agents and onboarding new B2B customers.

Participation in the procurement of the Estonian pension registry services for the next term (2025-2029)
According to the Estonian legislation, the providers of the pension registry services are chosen via public procurement. The previous contract of Estonian pension company with the Estonian government expired on December 31, 2024. In the first half of 2024 Estonian pension company successfully participated in the procurement process of pension registry services for the next term (2025-2029).

Exploring AI tools for internal efficiencies.
During 2024 Nasdaq CSD closely monitored AI developments in financial industry and considered potential use cases within the CSD. The team participated in Nasdaq Group’s AI initiatives by testing corporate AI tools aimed at improving internal efficiencies and developing platforms for integrating AI tools into business processes or service provisions. Nasdaq CSD will continue to explore AI capabilities and potential applications within the CSD.

Overview of key metrics

In 2024, Nasdaq CSD further developed and improved its business-critical IT systems, including four core CSD system releases, number of releases of financial instrument holder and owner generation system ESIS, Change requests and Hotfixes.

The statistics provided below cover all four Securities Settlement Systems (SSS) operated by Nasdaq CSD – Estonian, Icelandic, Latvian and Lithuanian.

The number of accounts has increased by 13% in the Baltic SSS, by 4% in Icelandic SSS and by 9% in total. At the end of 2024, the number of accounts at Nasdaq CSD was approaching 435 thousand, majority of them being beneficial owner accounts in the Estonian and Icelandic SSS.

The number of instruments registered with Nasdaq CSD at the end of 2024 was 7 986, out of which 81% were equities. Most of the Baltic instruments are T2S eligible. Icelandic instruments are not settled in T2S. Nasdaq CSD has number of foreign instruments registered in the Core CSD system where Nasdaq CSD acts as the Investor CSD in Clearstream Banking Luxembourg. The number of Baltic instruments decreased by 2.1% in 2024, while number of Icelandic instruments decreased by 1.2%.

During 2024, Nasdaq CSD processed 6 433 corporate actions, 18.5% more than in 2023. Majority were related to the Lithuanian SSS (40%) and Estonian SSS (30%) instruments. Icelandic SSS contributed by 21% and 9% – Latvian SSS.

The value of assets kept under custody by Nasdaq CSD during 2024 increased by 4.9% and at the end of 2024 was 76.9 billion EUR. Largest increase in assets under custody was in equities and corporate debt, 6% and 9% respectively.

During 2024, Nasdaq CSD processed on average 381 thousand settlement instructions per month, 4% less than in 2023. Decrease in number of settlement instructions was associated with lower trading volumes on the stock exchanges. Majority (50%) were Delivery versus Payments (DVP) of trades carried out on the stock exchanges, 10% – Free of Payments, 2.8% of OTC trades, and 37.2% – payments related to corporate actions. The value of DVP settlement instructions during 2024 was 46.5 billion EUR, 3% more than in 2023.

Risk management

Risk is defined as the potential negative deviation from the expected economic result. Purpose of risk management is to recognize, measure and manage risks properly supporting the following goals:

- protecting the company against unexpected significant risks and ensuring its continuous operations.
- support business strategic initiatives with clear overview of risk exposure in the various business segments.

In other words, the objective of risk management is to increase the company's value by minimizing losses and decreasing the volatility of results.

Risk governance

The Company´s risk management is based on a strong risk culture within Nasdaq and the principle of three lines of defense, as it is defined within Nasdaqs Enterprise Risk Management Framework. First line, i.e. business areas, being liable for taking the risks and managing them on a daily basis. The second line of defense, i.e. risk management function, is responsible for developing risk management methods and reporting of the Company´s risks oversight. The third line of defense, i.e. the Internal Audit, exercises independent supervision over the entire organization.

The risk management principles, requirements and areas of responsibility are stated in the Company Enterprise Risk Management policy. The capital management principles and objectives are described in the respective internal documents (Regulatory capital management policy). More detailed risk management processes are described in the internal rules of the respective area.

The Company has a risk appetite framework, approved by the Supervisory Council. The framework contains inter alia risk appetite statements and quantitative risk tolerance levels for the following main risks areas:

- **Strategic and Business Risk** - risk to earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment;
- **Legal and Regulatory Risk** - exposure to civil and criminal consequences - including regulatory penalties, fines, forfeiture, and litigation - while conducting business operations;
- **Operational Risk** - risks arising from the company's people, processes, and systems and external causes;
- **Financial Risk** - risk to the company's financial position or ability to operate due to investment decisions and financial risk management practices in particular as it relates to market, credit, capital, and liquidity risks;
- **Environmental, Social, and Governance (ESG) Risk** - risks arising from perceived or actual shortcomings in the management of ESG matters.

The Supervisory Council is ultimately responsible for establishing and maintaining effective risk management and an internal control environment within the Company. The Supervisory Council provides an oversight with regards to relevant risk management policies. The Supervisory Council established the Risk Committee to advise on the Company's current and future overall risk tolerance and strategy. The Risk Committee is responsible for ensuring that the effective risk management framework is embedded in the Company.

The Management Board is responsible for ensuring consistency of the risk-related activities of the Company with the objectives and strategy established by the Supervisory Council. The Management Board designs and establishes risk management and internal control procedures that promote the objectives of the Company. The Management Board is also responsible for regular review and testing of the risk management and internal-control procedures. The Management Board should ensure that sufficient resources are devoted to risk management and internal control.

The Chief Risk Officer is the designated officer in charge of implementing and maintaining the risk management frameworks and practices approved by the Supervisory Council.

Risk profile summary

The risks pertinent to the operations of the Company are operational risk, legal risk, general business risk, financial and investment risks. Credit risk is remote to the operations of the Company due to its operational model as company does not provide banking-type ancillary services or securities lending services. Liquidity risk is not considered material for the Company.

The risk profile of the Company remained stable during the financial year. Nasdaq CSD SE had at all times sufficient capital for all risk types and managed risk in line with its own risk appetite.

Capital management

The Company must be sufficiently capitalized at any time, ensuring the capital resources that ensure economic preservation and enable financing of new profitable growth opportunities. The objective of capital management is to:

- ensure continuity of the Company's business and ability to generate return for its shareholders;
- maintain a strong capital base supporting the development of business;
- comply with capital requirements as established by supervision authorities (under Article 47 of the CSDR);
- ensure an orderly winding-down or restructuring of the CSD's activities over an appropriate time span of at least six months under a range of stress scenarios.

Under the internal capital policy of the Company, the capitalization of Company must remain above the required capitalization under Article 47 of CSDR. In order to maintain adequate capitalization at all times, the Company has self-imposed a capital buffer which is equal to 10% of the regulatory capital requirements. The Company's capital can be divided into 1) required minimum capital and 2) a voluntary held capital buffer. As of year-end 2024, the capital adequacy ratio was 126%. The Company has established a continuous capital planning and monitoring process. Internal capital planning aims at sufficiently address mandatory capital requirements as well as to address relevant risks potentially arising from stressed situations. The annual internal process for capital adequacy assessment aims at verifying capital sufficiency in case of rare but possible stressed scenarios.

Capital planning is an integrated part of the overall business plan of the Company. Identified capital need for the business plan must always be covered by adequate capital resources. A higher strategic- and business risk appetite requires the Company to maintain a higher capital buffer.

Circumstances and events after the end of reporting year

No significant circumstances or events directly affecting the Company's operations have been identified.

Profit distribution recommended by the Management Board

The Management Board of Nasdaq CSD recommends a distribution of dividends to the shareholders of Nasdaq CSD for 2024 in the amount of EUR 5 500 000.

Future prospects

Nasdaq CSD has set the following strategic goals for 2025:

- Continue expanding E-Services Portal for clients via adding new modules to cover Estonian e-Registry services to issuers and shareholders, and shareholders list distribution services,
- Finalize SCoRE and ECMS compliance initiatives according to the ECB’s timeline,
- Acquire Qualified Intermediary status to enhance client service and tax reporting,
- Proceed with the migration of T2S securities to Clearstream Banking AG as part of further enhancements within the Investor CSD services,
- Collaborate closely with the Treasury of the Republic of Latvia to continue further development of the Latvian Savings Notes service,
- Feasibility assessment of services to participants willing to settle German exchange trades via Clearstream,
- Retain focus on LEI service growth,
- Continue exploring AI capabilities and potential applications within the CSD.

Statement of the Management Board's responsibility

The Management Board is responsible for the preparation of the financial statements based on accounting records for the reporting year. The financial statements must give a true and fair view of the financial position of the Company at the year-end and the results of its operations and cash flows for the reporting year in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports.

The Management Board certifies that appropriate accounting policies have been consistently applied and prudent judgments and estimates have been made in the preparation of the financial statements for the year ending 31 December 2024. The Management Board also confirms that these financial statements have been prepared on a going concern basis.

The Management Board is responsible for maintaining appropriate accounting records and taking efforts to safeguard the assets of the Company and prevent and detect fraud and other irregularities in the Company.

Indars Aščuks Chairman of the Management Board	Kristi Sisa Deputy Chairman of the Management Board	Audrius Žakas Member of the Management Board

Riga, 6 June 2025

Income statement

	Note	2024 EUR	2023 EUR
Net turnover	3	16 537 192	15 705 999
Other operating income	4	605 384	484 676
Other external costs	5	(8 273 357)	(7 179 618)
Labor costs	6	(3 318 810)	(3 239 499)
Decrease in value adjustments:		(17 775)	(43 232)
• depreciation and amortization expense	9,11	(17 775)	(43 232)
Other operating expenses	7	(40 030)	(42 053)
Other interest income and similar income		741 365	690 523
Interest payable and similar expense:		(45 282)	(71 488)
• related parties		(3 765)	(5 720)
• other persons		(41 517)	(65 768)
Profit before corporate income tax		**6 188 687**	**6 305 308**
Income tax expense	8	(760 295)	(759 671)
Profit after income tax		**5 428 392**	**5 545 637**
Income or expense arising from changes in deferred tax assets or liabilities	8	(306 063)	(301 166)
Net profit for the reporting year		**5 122 329**	**5 244 471**

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

Indars Aščuks
Chairman of the Management Board

Kristi Sisa
Deputy Chairman of the Management Board

Audrius Žakas
Member of the Management Board

Inguna Čakstiņa
Chief Accountant

Riga, 6 June 2025

Balance sheet

Assets	Note	31.12.2024 EUR	31.12.2023 EUR
Non-current assets			
Intangible assets			
Goodwill	9,10	21 846 101	21 066 690
Total		**21 846 101**	**21 066 690**
Tangible assets			
Leasehold improvements	11	—	78
Other plant and equipment	11	40 033	49 387
Total		**40 033**	**49 465**
Long term financial investments			
Investments in subsidiaries	25	900 000	550 000
Other securities and investments	12	9 188 484	10 533 529
Deferred tax assets	8	34 063	30 383
Total		**10 122 547**	**11 113 912**
Total non-current assets		**32 008 681**	**32 230 067**
Current assets			
Receivables			
Trade receivables	13	1 909 566	1 758 531
Work in progress and unfinished orders		843 888	631 490
Other receivables	14	72 955	97 032
Receivables from related parties	16	1 116 344	170 301
Prepaid expenses	15	91 054	66 491
Accrued income		12 778	6 367
Total		**4 046 585**	**2 730 212**
Current financial assets			
Other securities and investments	12	11 402 369	9 253 608
Total		**11 402 369**	**9 253 608**
Cash and cash equivalents	17	3 934 050	5 373 049
Total current assets		**19 383 004**	**17 356 869**
Total assets		**51 391 685**	**49 586 936**

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

Indars Aščuks
Chairman of the Management Board

Kristi Sisa
Deputy Chairman of the Management Board

Audrius Žakas
Member of the Management Board

Inguna Čakstiņa
Chief Accountant

Riga, 6 June 2025

Balance sheet (continued)

Equity and liabilities	Note	31.12.2024 EUR	31.12.2023 EUR
Equity			
Share capital	18	29 228 000	29 228 000
Reserves:		(928 183)	(1 781 698)
Reorganization reserve	26	439 583	439 583
Foreign exchange conversion reserve		(1 367 766)	(2 221 281)
Retained earnings		7 506 837	7 262 366
Profit for the reporting year		5 122 329	5 244 471
Total equity		**40 928 983**	**39 953 139**
Liabilities			
Non-current liabilities			
Deferred tax liabilities		615 406	316 180
Total		**615 406**	**316 180**
Current liabilities			
Trade payables	19	7 534 450	7 398 141
Payables to affiliated companies	20	275 576	129 247
Taxes and compulsory state social insurance contributions	21	867 137	783 220
Deferred income		1 350	4 142
Accrued liabilities	22	1 168 783	1 002 867
Total		**9 847 296**	**9 317 617**
Total liabilities		**10 462 702**	**9 633 797**
Total equity and liabilities		**51 391 685**	**49 586 936**

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

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Deputy Chairman of the Management Board

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Member of the Management Board

Inguna Čakstiņa
Chief Accountant

Riga, 6 June 2025

Cash flow statement

	Note	2024 EUR	2023 EUR
Cash flow from operating activities			
Profit before income tax		**6 188 687**	**6 305 308**
Adjustments:			
• depreciation and impairment of property, plant and equipment	11	17 775	43 232
• other interest income and similar income		(741 365)	(690 523)
• interest payable and similar expenses		45 282	71 488
Profit or loss before adjustments for the effect of changes in current assets and current liabilities		**5 510 379**	**5 729 505**
• (Increase) or decrease in receivables		(370 330)	(426 868)
• Increase or (decrease) in outstanding debts to suppliers, contractors and other creditors		1 052 852	55 247
Gross operating cash flow		**6 192 901**	**5 357 884**
Income tax paid		(770 812)	(741 572)
Net cash flows from operating activities		**5 422 089**	**4 616 312**
Cash flows from investing activities			
Loans issued, net		(799 714)	(39 572)
Purchase of property, plant and equipment and intangible assets		(7 825)	—
Investments in subsidiary		(350 000)	—
Investments in securities	12	(9 735 929)	(10 468 476)
Sale or redemption of securities	12	9 032 380	5 520 439
Net cash flows from investing activities		**(1 861 088)**	**(4 987 609)**
Cash flows from financing activities			
Dividends paid		(5 000 000)	(3 500 000)
Net cash flows from financing activities		**(5 000 000)**	**(3 500 000)**
Net cash flow for the reporting year		**(1 438 999)**	**(3 871 297)**
Cash and cash equivalents at the beginning of reporting year		**5 373 049**	**9 244 346**
Cash and cash equivalents at the end of the reporting year	17	**3 934 050**	**5 373 049**

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

Indars Aščuks
Chairman of the Management Board

Kristi Sisa
Deputy Chairman of the Management Board

Audrius Žakas
Member of The Management Board

Inguna Čakstiņa
Chief Accountant

Riga, 6 June 2025

Statement of changes in equity

	Share capital	Company reorganization reserve	Foreign exchange conversion reserve	Retained earnings	Total
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Balance as at 31 December 2022	**29 228 000**	**439 583**	**(2 273 034)**	**10 762 366**	**38 156 915**
Profit for the reporting year	—	—	—	5 244 471	5 244 471
Foreign exchange conversion reserve	—	—	51 753	—	51 753
Dividends paid	—	—	—	(3 500 000)	(3 500 000)
Balance as at 31 December 2023	**29 228 000**	**439 583**	**(2 221 281)**	**12 506 837**	**39 953 139**
Profit for the reporting year	—	—	—	5 122 329	5 122 329
Foreign exchange conversion reserve	—	—	853 515	—	853 515
Dividends paid	—	—	—	(5 000 000)	(5 000 000)
Balance as at 31 December 2024	**29 228 000**	**439 583**	**(1 367 766)**	**12 629 166**	**40 928 983**

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

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Chairman of the Management Board

Kristi Sisa
Deputy Chairman of the Management Board

Audrius Žakas
Member of the Management Board

Inguna Čakstiņa
Chief Accountant

Riga, 6 June 2025

Explanatory notes to the financial statements

1 General information about the Company

NASDAQ CSD SE (hereinafter - the Company) legal address is Vaļņu iela 1, Riga. The Company is registered in the Commercial Register with the unified registration number 40003242879. The Company's shareholder is Nasdaq Nordic Oy, which owns 99.8% of the Company's share capital. The entity that prepares the Consolidated Annual Report including Nasdaq CS SE as a subsidiary is Nasdaq Inc. (Registered office: 151 W. 42nd Street, New York City, NY, 10036, United States). The consolidated annual report is available at: 151 W. 42nd Street, New York City, NY, 10036, United States.

The main activity of the Company is the accounting and holding of securities in public circulation, the organization of settlements with securities, as well as the development and maintenance of registers necessary for the accounting and holding of securities. Nasdaq CSD SE consists of the head office and three branches, one in Lithuania, one in Estonia and one in Iceland. The structure of such a company was established in 2017 by merging three separate legal entities in Latvia, Lithuania and Estonia. In 2020, the subsidiary registered in Iceland was reorganized by adding it as a third branch.

2 Summary of significant accounting policies

Basis of preparation

The financial statements of NASDAQ CSD SE have been prepared in accordance with the Law on the Annual Financial Statements and Consolidated Financial Statements of the Republic of Latvia.

The financial statements include branches controlled by Nasdaq CSD SE. The financial statements consist of the financial statements of Nasdaq CSD SE and its branches.

The financial statements have been prepared under the historical cost convention, except for financial investments, which are carried at fair value. The euro (EUR) is used as the currency in the financial statements. The financial statement covers the period from 1 January 2024 to 31 December 2024.

The profit or loss statement is prepared in a vertical format with costs are classified based on their type. The cash flow statement is prepared using the indirect method.

In accordance with the law, the items “Investment property”, “Biological assets”, “Deferred tax assets”, “Long-term investments held for sale” and “Deferred tax liabilities” are used only by a company that recognizes and measures these items in accordance with International Accounting Standards (International Financial Reporting Standards as adopted by the EU).

According to the Law on the Annual Financial Statements and Consolidated Financial Statements of the Republic of Latvia, Nasdaq CSD SE is considered a medium-sized company.

The law provides additional relief for small and medium-sized companies in preparing financial statements, but at the same time stipulates that the financial statements must give a true and fair view of the company's financial position and profit or loss, and the medium and large companies' annual report must also provide cash flow.

These are the standalone financial statements of the Company. In 2023 and 2024 the Company has performed an elevation and, based on Article 61 of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia, has concluded that the subsidiary is not significant and as a result of this assessment, based on Article 66 of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia, no consolidated annual report has been prepared.

Going concern

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

Use of estimates

In preparing the financial statements, management is required to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities in the separate financial statements. Future events may affect the assumptions on which the estimates are based. Any effect of changes in estimates is reflected in the financial statements at the time of their determination.

The Company's management regularly evaluates the amount of estimates. If any events or changes in circumstances indicate that the accounting estimate used is no longer reliable or new information has become available, the Company changes the accounting estimate. The new accounting estimate is applied to the measurement of financial statement items in the year in which the accounting estimate changes and, where appropriate (for example, when the accounting estimate is related to a change in the useful life or depreciation method), in subsequent years.

Foreign currency revaluation

The functional currency of the Company and the currency used in the financial statements is the currency of the Republic of Latvia, the euro (EUR). All foreign currency transactions are translated into euros at the euro reference exchange rate published by the European Central Bank on the date of the respective transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into euros at the rate of exchange on the last day of the reporting year as published by the European Central Bank. Exchange differences arising on the settlement of currencies or on the presentation of assets and liabilities using exchange rates that differ from those initially used in accounting for transactions are recognized in the income statement on a net basis. Foreign exchange differences arising on the translation of goodwill are recognized in equity under the heading "Foreign exchange conversion reserve".

The accounting records of the Icelandic branch are maintained in Icelandic Kronur (ISK). In preparing the financial statements, the assets and liabilities of the Icelandic branch are translated to euros using the exchange rates set by the European Central Bank (ECB) on the last day of the reporting year. Revenue and expenses are translated using the ECB's average exchange rate for the reporting period. The resulting exchange differences are recognized as a reserve in equity.

- Exchange rate at the end of 31.12.2024: EUR / ISK – 143.90
- Average exchange rate for the period 01.01.2024 - 31.12.2024: EUR / ISK – 149.31

Intangible assets

Intangible non-current assets are stated at cost and amortized over their estimated useful lives on a straight-line basis as follows:

- Software 5 years
- Internally developed software 2-7 years

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount.

Goodwill

Company’s management has chosen to apply clause 13 of the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports and measure Goodwill in accordance with International Financial Reporting Standards (IFRS 3 Business Combinations). Impairment assessment is done in accordance with IAS 36 Impairment of Assets.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the following assets:

- Office furniture 5 years
- Electronic office equipment 5 years
- Vehicles 5 years

Property, plant and equipment with an acquisition value exceeding:

- Electronic office equipment 5 000 USD / 4 813 EUR
- Software 50 000 USD / 48 128 EUR
- Other equipment 3 000 USD / 2 888 EUR

Depreciation is calculated starting from the month following the commissioning of fixed assets or involvement in economic activity. Depreciation must be calculated separately for each part of an item of property, plant and equipment whose cost is significant in relation to the total cost of that item of property, plant and equipment. If the Company depreciates separately some parts of a fixed asset, it also depreciates separately the remaining parts of the same fixed asset. The balance consists of those parts of the fixed asset that are not individually significant. Depreciation of the remaining amounts is calculated using approximation methods to give a true and fair view of their useful lives.

Property, plant and equipment (continued)

If events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable, the carrying amount of the item is reviewed for impairment. If any such indication exists, and when the carrying amount of an asset exceeds its estimated recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The recoverable amount of an item of property, plant and equipment is the higher of net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate significant cash flows, the recoverable amount is determined for the cash-generating asset to which it belongs. Impairment losses are recognized in the income statement as other expenses.

Costs associated with improvements to leased property are capitalized and recognized as property, plant and equipment. Depreciation of these assets is calculated over the lease term on a straight-line basis.

Other financial assets

Financial assets at fair value through profit or loss
Given that Nasdaq CSD SE is a subsidiary of a group whose parent company is required to use International Financial Reporting Standards for the recognition, measurement, presentation in the financial statements and explanatory information, Nasdaq CSD SE has elected to apply Article 13 (5) of the Annual Accounts and Consolidated Annual Accounts Law and recognize and measure financial investments in accordance with International Financial Reporting Standards. Financial assets at fair value through profit or loss are carried at fair value with changes in fair value recognized in the income statement. Income from these assets is recognized in other income in the income statement. On the Balance Sheet these assets are recognized within Other securities and investments. These securities are not actively traded.

Derecognition of financial assets
An entity derecognizes a financial asset only if:

- the contractual rights to the cash flows from the financial asset have expired, or
- the entity transfers all the risks and rewards of ownership of a financial asset and recognizes separately as assets or liabilities any rights and obligations that arise or are retained as a result of the transfer

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated income statement when the assets are derecognized or impaired, as well as through the amortization process.

Trade receivables and other receivables

Trade receivables are accounted for and presented in the balance sheet at the original invoice amount, less any allowance for doubtful debts. Provisions for doubtful debts are estimated when it is no longer probable that the full amount due will be received. Debts are written off when their recovery is considered impossible.

Loans and borrowings

Loans and borrowings are initially recognized at cost, being the fair value of the consideration given plus or minus the costs of origination.

Subsequent to initial recognition, loans and borrowings are stated at amortized cost using the effective interest method. Amortized cost is calculated by taking into account the cost of obtaining a loan or borrowing, as well as any discounts or premiums associated with the loan or borrowing.

Gains or losses arising from amortization are recognized in the income statement as interest income or expense.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with original maturities of three months or less.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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. Where there is a material effect on the time value of money, provisions are calculated by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. If discounting is used, the increase in the provision over time is recognized as a borrowing cost.

Contingent liabilities and assets

Contingent liabilities have not been recognized in these financial statements. They are recognized as a liability only when it is probable that an outflow of resources will be required to settle the obligation.

Contingent assets are not recognized in these consolidated financial statements but are disclosed only when it is probable that the economic benefits associated with the transaction will flow to the Company.

Lease

Finance lease
Finance leases in which all risks and rewards of ownership of the leased asset are transferred to the Company are recognized in the balance sheet as property, plant and equipment at the lower of the fair value of the leased property at the inception of the lease. the present value of the minimum lease payments. Finance lease payments are apportioned between the finance charge and the reduction of the liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability. Finance costs are charged to the income statement as interest expense.

If there is sufficient reason to believe that, at the end of the lease term, the leased asset will become the property of the lessee, the estimated useful life of the asset is assumed. In all other cases, the depreciation of capitalized leased assets is calculated using the straight-line method over the estimated useful lives of the assets or the lease term, whichever is shorter.

Operating leases
Leases of assets under which the lessor assumes substantially all the risks and rewards of ownership are classified as operating leases. Lease payments under an operating lease are recognized as an expense over the term of the lease using the straight-line method. The Group's liabilities arising from operating leases are recognized as contingent liabilities.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, net of value added tax and sales discounts. The following conditions are also taken into account when recognizing revenue.

Rendering of services
Revenue from services is recognized in the period in which the services are rendered.

Dividends
Revenue is recognized when the shareholder's right to receive payment is established.

Corporate income tax

Corporate income tax consists of corporate income tax and deferred tax calculated for the reporting year.

Corporate income tax is paid on distributed profits and conditionally distributed profits. Distributed and conditionally distributed profit is taxed at the rate of 20 percent of the gross amount or 20/80 of the net cost. Corporate income tax on dividends is recognized in the income statement as an expense in the period in which the dividends are declared and for other contingent items in the period in which the expenses are incurred during the reporting year. Prior to the reporting of dividends, no deferred tax is recognized on the payment of dividends.

Corporate income tax for the reporting year is calculated by applying a tax rate of 15% for the Lithuanian branch and 20% for the Icelandic branch to the taxable income earned in the relevant taxation period. As of 1 January 2025, companies in the Republic of Lithuania will be subject to a 16% corporate tax rate.

Corporate income tax (continued)

According to the Income Tax Act of the Republic of Estonia, companies are not subject to income tax on profits for the financial year. Income tax is levied on dividends, profit benefits, gifts, entertainment expenses, non-operating expenses and transfer price adjustments. The tax rate is 20/80 of the net profit distribution. In certain circumstances, dividends received may be reallocated to income tax expense. Starting from 2025, profits distributed as dividends will be taxed at a rate of 22/78 of the net dividend amount paid out. Corporate income tax is recognized as a liability for the payment of dividends and as an income tax expense in the income statement when the dividends are declared, regardless of the period for which the dividends were declared or when they were actually paid. The obligation to pay income tax arises on the tenth day of the month following the payment of dividends. Due to the nature of the tax system, there is no difference between the taxation of the assets of companies established in Estonia and the absence of deferred income tax assets or liabilities.

Contingent income tax liabilities related to the payment of dividends from retained earnings are not recognized in the balance sheet.

Deferred tax assets and liabilities

Considering that the Company is a subsidiary of a group whose parent company is required to use International Accounting Standards for the recognition, measurement, presentation in the financial statements and explanatory information about these items, the Company chose to apply Section 13, Paragraph five, Clause 2 of the Law on Annual Financial Statements and Consolidated Financial Statements of the Republic of Latvia and recognizes and measures deferred tax assets and deferred tax liabilities, as well as provides explanatory information on the items “Deferred tax assets”, “Deferred tax liabilities” and “Income or expenses from deferred tax assets or changes in the balance of liabilities" in accordance with International Accounting Standard No. 12 Income taxes.

Deferred tax is calculated using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In determining the amount of deferred tax assets and liabilities, tax rates that have been enacted or substantively enacted at the time when it is expected that the asset is used or the liability is settled.

Corporate Income Tax Law of Republic of Latvia, which became effective on 1 January 2018, effectively eliminated all temporary differences between the asset and liability base in the Latvian entity's financial records and their tax base by that date. Accordingly, deferred tax assets calculated and recognized in Latvia in previous reporting periods were reversed in the annual report in the 2017 income statement or reserves, depending on whether the deferred tax liabilities or assets were initially recognized through the profit or loss statement or reserves. As required by International Accounting Standards, changes in tax legislation are reflected in the financial statements in the period in which the changes are adopted. Deferred tax recorded on the balance sheet and income statement relates to the Lithuanian, Icelandic and Estonian branches of Nasdaq CSD SE.

The Company recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements unless both of the following conditions are met:

- The parent, investor, venturer or joint operator can control the timing of the reversal of the temporary difference and
- It is probable that the temporary difference will not change in the foreseeable future.

Events after balance sheet date

The financial statements reflect such events after the end of the reporting year that provide additional information about the Company's financial position at the balance sheet date (adjusting events). If the events after the end of the reporting year are not adjusting, they are reflected in the notes to the financial statements only if they are significant.

3 Net turnover

From the core business	**2024**	**2023**
Issuer fees	5 446 954	4 722 119
Participant fees	10 239 730	10 179 199
Pension service fees	850 508	804 681
Total	**16 537 192**	**15 705 999**

4 Other operating income

	2024	**2023**
Compensated labor costs	6 553	5 557
Revenues from IT systems transferred to Nasdaq Stockholm	473 863	300 685
Revaluation of financial assets held for trading	102 918	149 120
Other operating income	22 050	29 314
Total	**605 384**	**484 676**

5 Other external costs

	2024	**2023**
IT system maintenance expense	1 724 227	1 789 302
Services received from related parties	3 800 841	2 927 125
Consulting and legal services cost	1 455 911	1 240 135
Annual fee to the Financial Supervision Authority	202 471	186 966
Non-deductible input VAT	272 910	194 847
Rent	176 026	193 563
Other personnel expenses	114 207	137 002
Utilities and premises costs	166 489	101 848
Insurance	85 919	67 447
Communication and postal expense	70 392	68 895
Business trips	71 514	72 822
Marketing and advertising	14 655	12 482
Other administrative expense	117 795	187 184
Total	**8 273 357**	**7 179 618**

6 Labour costs

	2024	2023
Salaries and wages	2 898 160	2 848 517
Statutory social security contributions	420 650	390 982
Total	**3 318 810**	**3 239 499**

Including key management personnel compensation:

	2024	2023
Members of the Management Board		
Wages and salaries	549 024	454 815
Statutory social insurance contributions	78 906	109 785
Total	**627 930**	**564 600**

	2024	2023
Independent Council Members		
Wages and salaries	54 500	47 250
Statutory social insurance contributions	12 857	11 146
Total	**67 357**	**58 396**

	2024	2023
Average number of Council Members during the reporting year	3	3
Average number of independent Council Members during the reporting year	3	3
Average number of Members of the management Board during the reporting year	4	4
Average number of employees during the reporting year	41	44
Total	**51**	**54**

7 Other operating expenses

	2024	2023
Provisions for bad and doubtful trade receivables	40 030	42 053
Total	**40 030**	**42 053**

8 Current and deferred corporate income tax

	2024	2023
Current corporate income tax charge for the reporting year	(760 295)	(759 671)
Deferred corporate income tax due to changes in temporary differences	(306 063)	(301 166)
Corporate income tax charged to the income statement:	**(1 066 358)**	**(1 060 837)**

Income or expense from changes in deferred tax assets or deferred tax liabilities:

	Balance sheet		Income statement	
	31.12.2024	**31.12.2023**	**2024**	**2023**
Deferred income tax assets (Iceland and Lithuania)				
Provision for bonuses	17 589	13 800	3 789	(1 214)
Other provisions	16 474	16 583	(109)	(1 871)
Total	**34 063**	**30 383**	**3 680**	**(3 085)**
Deferred income tax Liabilities (Estonia)	**(607 824)**	**(298 081)**	**(309 743)**	**(298 081)**

Comparison of the actual corporate income tax with the theoretically calculated:

	2024	2023
Profit before tax – Lithuanian branch	835 594	997 873
Profit before tax – Icelandic branch	2 909 539	3 091 898
Theoretically calculated corporate income tax - 15% (On the profit earned in the Lithuanian branch of Nasdaq CSD SE)	125 339	149 681
Theoretically calculated corporate income tax - 21% (On the profit earned in the Icelandic branch of Nasdaq CSD SE)	611 003	618 380
Permanent differences:		
Income tax adjustment for previous years	(10 659)	1 045
Non – deductible expenses	6 363	7 037
Other permanent differences	28 249	(16 472)
Actual corporate income tax for the year:	**760 295**	**759 671**
Deferred tax charge / (credit) in the income statement*	306 063	301 166
Corporate income tax charged to the income statement:	**1 066 358**	**1 060 837**

*Deferred tax liabilities for the Estonian branch are calculated starting from 2023 from the profit of the reporting year. Until 2022, the Company decided not to pay dividends from the Estonian branch. This decision remains unchanged, therefore deferred tax liabilities for retained earnings of previous years are not calculated.

9 Intangible assets

	Concessions, patents, licenses, trademarks and similar rights	Goodwill	Total
As at 31 December 2022			
Cost	67 762	21 400 574	21 468 336
Accumulated amortisation and impairment	(67 762)	—	(67 762)
Effect of foreign currency exchange rate fluctuations	—	(446 052)	(446 052)
Carrying amount as at 31 December	**—**	**20 954 522**	**20 954 522**
The year 2023			
Carrying amount as at 1 January	—	20 954 522	20 954 522
Effect of foreign currency exchange rate fluctuations	—	112 168	112 168
Carrying amount as at 31 December	**—**	**21 066 690**	**21 066 690**
As at 31 December 2023			
Cost	67 762	21 400 574	21 468 336
Accumulated amortisation and impairment	(67 762)	—	(67 762)
Effect of foreign currency exchange rate fluctuations	—	(333 884)	(333 884)
Carrying amount as at 31 December	**—**	**21 066 690**	**21 066 690**
The year 2024			
Carrying amount as at 1 January	—	21 066 690	21 066 690
Cost of disposals	(49 665)	—	(49 665)
Accumulated amortisation of disposals	49 665	—	49 665
Effect of foreign currency exchange rate fluctuations	—	779 411	779 411
Carrying amount as at 31 December	**—**	**21 846 101**	**21 846 101**
Year ended 31 December 2024			
Cost	18 097	21 400 574	21 418 671
Accumulated amortisation and impairment	(18 097)	—	(18 097)
Effect of foreign currency exchange rate fluctuations	—	445 527	445 527
Carrying amount as at 31 December	**—**	**21 846 101**	**21 846 101**

10 Goodwill

Lithuania and Estonia

In May 2016, the Company acquired 100% of the shares in AS Eesti Vaartpaberikeskus (the Estonian Central Depository) and 100% of the shares in AB Lietuvos centrinis vertybiniu popieriu depozitoriumas (the Lithuanian Central Depository). The core business activity of both of these companies comprises the accounting for and safe custody of publicly issued securities, the clearing and settlement for securities trading and the development and maintenance of registers required for the accounting for and safe custody of securities.

As a result of the acquisition, goodwill amounting to EUR 4 073 173 was recognised and attributed to the Lithuanian entity. In 2017, both entities were merged with Nasdaq CSD SE as branches.

Iceland

In February 2019, through additional share issue, the Company acquired a subsidiary in Iceland – Nasdaq CSD Iceland. The core business of Nasdaq CSD Iceland is to maintain the records on trading of listed securities, as well as settlement of securities and cash transactions.

At the time of acquisition goodwill amounting to ISK 2 557 524 330 was recognised. In 2020, this entity was merged with Nasdaq CSD SE as a branch.

Goodwill related to the Icelandic entity is denominated in Icelandic kroner (ISK) and is translated to EUR at the end of each reporting year. The difference arising from foreign currency translation is recognized in equity under 'Foreign currency translation reserve'.

Each of these entities are considered to be separate Cash Generating Units (CGUs).

Goodwill value

Entity	31.12.2024	31.12.2023
AB Lietuvos centrinis vertybiniu popieriu depozitoriumas, Konstitucijos ave. 29, LT-08105 Vilnius, Lithuania	4 073 173	4 073 173
Nasdaq CSD Iceland hf, Laugavegur 182 105 Reykjavík, Iceland	17 772 928	16 993 517
Total	**21 846 101**	**21 066 690**

Impairment assessment

The Company performed its annual goodwill impairment test as at 31 December 2024. The recoverable amount of goodwill is determined based on the value in use calculation, which uses cash flow projections based on the five-year budget plan and pre-tax discount rates as specified below. No no impairment was identified.

Pre-tax discount rates

	31.12.2024	31.12.2023
Lithuania	11,1	12,9
Iceland	14,5	16,5

11 Fixed assets

	Office furniture and equipment	Leasehold improvements	Total
As at 31 December 2022			
Cost	258 628	59 644	318 272
Accumulated depreciation and impairment	(176 984)	(48 795)	(225 779)
Carrying amount as at 31 December	**81 644**	**10 849**	**92 493**
The year 2023			
Carrying amount as at 1 January	81 644	10 849	92 493
Depreciation charge	(32 461)	(10 771)	(43 232)
Effect of foreign currency exchange rate fluctuations	204	—	204
Carrying amount as at 31 December	**49 387**	**78**	**49 465**
As at 31 December 2023			
Cost	258 832	59 644	318 476
Accumulated depreciation and impairment	(209 445)	(59 566)	(269 011)
Carrying amount as at 31 December	**49 387**	**78**	**49 465**
The year 2024			
Carrying amount as at 1 January	49 387	78	49 465
Additions	7 825	—	7 825
Depreciation charge	(17 697)	(78)	(17 775)
Cost of disposals	(87 792)	—	(87 792)
Accumulated depreciation of disposals	87 792	—	87 792
Effect of foreign currency exchange rate fluctuations	518	—	518
Carrying amount as at 31 December	**40 033**	**—**	**40 033**
As at 31 December 2024			
Cost	179 383	59 644	239 027
Accumulated depreciation and impairment	(139 350)	(59 644)	(198 994)
Carrying amount as at 31 December	**40 033**	**—**	**40 033**

12 Other securities and investments

	31.12.2024	31.12.2023
Government securities	20 589 700	19 785 984
Other financial investments - non-current	1 153	1 153
Total	**20 590 853**	**19 787 137**

Government securities

	2024	2023
At the beginning of the reporting year	19 785 984	14 652 770
Purchases	9 735 929	10 468 476
Redemption and received coupons	(9 032 380)	(5 520 439)
Changes in fair value recognised in profit or loss statement	771 411	97 183
Accrued interest recognised in profit or loss statement	(671 244)	87 994
At the end of the reporting year	**20 589 700**	**19 785 984**
incl. Short-term financial investments	11 402 369	9 253 608
incl. Long-term financial investments	9 187 331	10 532 376

The financial investments in government securities consist of the following securities:

	31.12.2024	31.12.2023
Lithuanian Government Bonds with a fixed coupon of 3,375% and a maturity date of 22 January 2024	—	206 258
Estonian Treasury Bill with a fixed coupon of 0% and maturity date 25 April 2024	—	790 088
Latvia Government Bonds with a fixed coupon of 2,875% and a maturity date of 30 April 2024	—	1 014 479
France Treasury bills with a fixed coupon of 0% and a maturity date of 12 June 2024	—	689 021
Estonia Treasury bills with a fixed coupon of 0% and a maturity date of 27 September 2024	—	2 043 678
Slovakia Government Bonds with a fixed coupon of 3,375% and a maturity date of 15 November 2024	—	3 015 401
Denmark Government Bonds with a fixed coupon of 2,5% and a maturity date of 18 November 2024	—	1 494 683
France Government Bonds with a fixed coupon of 0% and a maturity date of 25 March 2025	2 484 625	2 520 449
Estonia Treasury bills with a fixed coupon of 0% and a maturity date of 2 April 2025	3 772 374	—
Luxembourg Government Bonds with a fixed coupon of 0% and a maturity date of 28 April 2025	3 469 919	3 368 295
Lithuania Government Bonds with a fixed coupon of 1,3 % and a maturity date of 04 August 2025	1 675 451	1 632 503
France Government Bonds with a fixed coupon of 3,5% and a maturity date of 25 April 2026	2 600 171	—
Estonia Government Bonds with a fixed coupon of 3,3 % and a maturity date of 16 September 2026	1 121 663	—
Latvia Government Bonds with a fixed coupon of 0,375% and a maturity date of 7 October 2026	2 353 512	—
Lithuania Government Bonds with a fixed coupon of 0 % and a maturity date of 13 July 2027	3 111 985	3 011 129
Total	**20 589 700**	**19 785 984**

13 Trade receivables

	31.12.2024	31.12.2023
Trade receivables	1 983 365	1 853 152
Allowance for doubtful trade receivables	(73 799)	(94 621)
Total	**1 909 566**	**1 758 531**

Trade receivables are non-interest bearing.

14 Other receivables

	31.12.2024	31.12.2023
Overpayment of taxes (see Note 21)	69 431	93 508
Other receivables	3 524	3 524
Total	**72 955**	**97 032**

15 Prepaid expenses

	31.12.2024	31.12.2023
IT systems support	7 440	7 942
Office rent	3 944	3 944
Car lease	6 942	9 025
Insurance	58 775	41 351
Other prepaid expenses	13 953	4 229
Total	**91 054**	**66 491**

16 Receivables from related parties

	31.12.2024	31.12.2023
Short-term deposit	1 116 344	170 301
Total	**1 116 344**	**170 301**

In accordance with the borrowing/loan agreement with Nasdaq Treasury AB, the deposit has to be returned upon request. Interest rate on deposit is 1-month EURIBOR minus 0 basis points. No negative interest rate is calculated.

17 Cash and cash equivalents

	31.12.2024	31.12.2023
Cash at bank	3 934 050	5 373 049
Total	**3 934 050**	**5 373 049**

As required by the Capital Adequacy Policy of NASDAQ CSD SE, EUR 1.2 million (31.12.2023: EUR 2.4 million) are held in the accounts of the Central Banks of Latvia and Estonia as restricted funds.

The capital adequacy level as at 31 December 2024 is set at EUR 10.5 million (31.12.2023: EUR 10.4 million).

18 Share capital

The Company's fully paid-up share capital is EUR 29 228 000 and consists of 29 228 ordinary shares. The nominal value of one share is EUR 1 000.00.

In 2024, EUR 5 000 000 was paid in dividends (in 2023: EUR 3 500 000).

The Company's management board proposes a dividend of EUR 5 500 000 for the year 2024 results.

19 Trade payables

	31.12.2024	31.12.2023
Payments to securities owners*	7 414 662	7 312 227
Other trade payables	119 788	85 914
Total	**7 534 450**	**7 398 141**

* Payments to securities owners represent dividends paid and rights to cash held in initial register.

Assets of the initial register are invested as follows:

	31.12.2024	31.12.2023
Account with the Bank of Latvia	447 617	1 484 846
Investments made in the investment portfolio	6 967 045	5 827 381
Total	**7 414 662**	**7 312 227**

According to the Financial Instruments Market Law, the central depository must segregate their funds from those belonging to financial instrument owners that are or were registered in the initial register and have not accepted the final share buyout offer at the expiration date of the final share buyout offer. These funds may not be used to meet the claims of creditors of the central depository. This requirement also applies to instances when the central depository is recognized as insolvent according to the statutory procedure.

Some of the individuals or entities listed in the Initial Register have died or been dissolved, and it is possible that the assets registered to them in the Initial Register might be treated as property belonging to state. To facilitate the proper transfer of property (securities and money) that already belongs to the state from the Initial Register and the sale of the transferred securities, changes to regulatory acts would be required.

20 Payables to affiliated companies

	31.12.2024	31.12.2023
Loan from related company*	275 576	129 247
Total	**275 576**	**129 247**

* Interest rate for the loan is 1 month EURIBOR plus 105 basis points. If the EURIBOR is negative, then the interest rate for the loan is 105 basis points. As per loan agreement with Nasdaq Treasury AB, the parties have to repay the loan upon request.

21 Taxes and compulsory state social insurance contributions

	31.12.2024	31.12.2023
Latvia		
Corporate income tax	69 426	68 991
Value added tax	(9 783)	(32 668)
Unemployment risk duty	5	5
Lithuania		
Corporate income tax	(28 516)	(53 503)
Value added tax	(23 076)	(17 124)
Estonia		
Statutory social insurance contributions	(12 469)	(11 220)
Personal income tax	(5 732)	(5 753)
Value added tax	(78 584)	(64 982)
Unemployment risk duty	(689)	(692)
Iceland		
Personal income tax	(11 608)	(9 580)
Value added tax	(71 740)	24 512
Corporate income tax	(624 940)	(587 698)
Total	**(797 706)**	**(689 712)**
Total receivable (disclosed as other receivables)	**69 431**	**93 508**
Total payable	**(867 137)**	**(783 220)**

22 Accrued liabilities

	31.12.2024	31.12.2023
Provisions for staff bonuses	396 875	349 484
Provisions for creditor invoices	353 908	242 053
Other accrued liabilities	22 160	23 213
Vacation pay reserve	297 399	295 442
Provision for employee share purchase plan	98 441	92 675
Total	**1 168 783**	**1 002 867**

All accrued liabilities are expected to be settled in 2025.

23 Contingent liabilities

Operating lease liabilities
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Vehicle leases	**31.12.2024**	**31.12.2023**
Within one year	13 942	13 942
Later than one year but no later than five years	38 130	52 071
Total	**52 072**	**66 013**

Premises lease	**31.12.2024**	**31.12.2023**
Within one year	120 957	154 704
Later than one year but no later than five years	3 471	162 609
Total	**124 428**	**317 313**

Rental payments for the office space in Vilnius is included in the overall cost reimbursement agreement with a related company and cannot be accurately estimated.

On October 13, 2023, the 2nd instance court rejected Grindeks' appeal. Following this, Grindeks submitted a cassation complaint to the Supreme Court, to which Nasdaq CSD provided its explanations on December 21, 2023. On April 23, 2025, the Supreme Court decided to refuse to initiate cassation proceedings in connection with the cassation complaint of Grindeks for the judgment of the Riga Regional Court of October 13, 2023.

In 2023, Nasdaq CSD received a letter from the Icelandic Competition Authority regarding an investigation related to a complaint suggesting a potential breach of the Icelandic Competition Act. Throughout 2024, management has closely monitored the investigation and assessed the claim. As of the date of this report, it is difficult to determine the likelihood or amount of any potential financial, operational, or legal impact of the claim. Consequently, no accrual has been posted in the balance sheet.

24 Events after the balance sheet date

In the period from the last day of the reporting year to the date of signing these financial statements, there have been no events that would result in adjustments to these financial statements or that should be explained in these financial statements.

25 Investments in subsidiaries

Company	**%**	**Initial investment**	**Write-off of the investment value**	**31.12.2024**	**31.12.2023**
AS Pensionikeskus, Maakri 19/1, 10145 Tallinn, Estonia	100	550 000	—	900 000	550 000

Financial information about subsidiaries:

Company	**Equity**		**Profit / (loss) for the year**	
	31.12.2024	**31.12.2023**	**2024**	**2023**
AS Pensionikeskus, Maakri 19/1, 10145 Tallinn, Estonia	827 483	715 480	(237 997)	(75 860)

In June 2017, the Company founded a subsidiary in Estonia - AS Pensionikeskus. The core business activity of this company comprises managing the Estonian funded pension (II and III pillar) registers. Equity and reserve capital are in compliance with regulation. In 2024, an investment of EUR 350,000 was made in the equity of AS Pensionikeskus.

26 Reorganisation reserve

The reorganization reserve is recognised as a result of the merger of subsidiaries as branches. The difference between the assets, liabilities and the carrying amount of the investment in the combined entity is recognized in equity under the heading “Reorganisation reserve”.

The reserve has formed as a result of the merger of the following subsidiaries as branches:

Entity	**Year of merger**	**Reorganisation reserve amount**	
		31.12.2024	**31.12.2023**
Nasdaq CSD Lithuanian branch	2017	480 957	480 957
Nasdaq CSD Estonian branch	2017	(83 805)	(83 805)
Nasdaq CSD Icelandic branch	2020	42 431	42 431
Total		**439 583**	**439 583**

Indars Aščuks
Chairman of the Management Board

Kristi Sisa
Deputy Chairman of the Management Board

Audrius Žakas
Member of the Management Board

Inguna Čakstiņa
Chief Accountant

Riga, 6 June 2025

Independent Auditor's Report

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Independent Auditor's Report (continued)

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