LifeGoals Financial Services

(Previously Emergo Wealth Ltd)

(Regulated by the Cyprus Securities & Exchange Commission, License Number 232/14)

Pillar III Disclosures for the year ended 31 Dec 2024

Prepared on	31 Jan-2025

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LifeGoals.

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Introduction

LifeGoals Financial Services Ltd ex. Emergo Wealth Ltd (hereinafter named "the Company") was incorporated in Cyprus on 6th December 2013 as a limited liability company under the Cyprus Companies Law, Cap. 113. The Company holds a license from the Cyprus Securities and Exchange Commission (hereinafter named "CySEC"), number 232/14 dated 27th March of 2014, and, further, it has obtained a license extension on 25 June 2014, which permits the Company to operate as a Cyprus Investment Firm and to provide investment and ancillary services in relation to specific financial instruments.

The Company under its license is authorized to provide the following investment and ancillary services.

Investment Services

- Reception and transmission of orders in relation to one or more financial; instruments
- Investment Advice and
- Discretionary Portfolio Management.

Ancillary Services

- Safekeeping and administration of financial instruments, including custodianship and related services;
- Granting credits or loans to one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings;
- Foreign exchange services where these are connected to the provision of investment services and
- Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

Other Services

- Collective portfolio management and
- Fund Administration (non-regulated service)

For further details on the license information of the Company refer to https://www.cysec.gov.cy/en-GB/entities/investment-firms/cypriot/37684/.

Regulatory Framework

The information contained within this report has been prepared in accordance with the Part SIX of the European Regulation (EU) No. 2019/2033 (hereinafter named “the Regulation”) and the relevant requirements of the Directive (EU) 2019/2034 that transposed into national legislation.

The Company, according to the conditions on Article 12 of the Regulation is classified as a “Limited License” Class 2 investment firm with minimum capital requirement of €150k.

These Pillar III Disclosures present the evaluation and management of the various risks faced by the Company during the year ended 31 December 2024. Amongst others, in the Disclosures the Company presents information on its capital structure, regulatory capital requirements, concentration risk and liquidity requirements.

The Disclosures are prepared by the Risk Manager of the Company and reviewed by the Board.

Disclosure Policy

The Disclosures are prepared annually and is available electronically on the Company’s website. According to Article 46 of the European Regulation (EU) No. 2019/2033, the Pillar III Disclosures shall be published at least on an annual basis and in conjunction with the date of publication of the financial statements. A hard copy of this Report is available upon request.

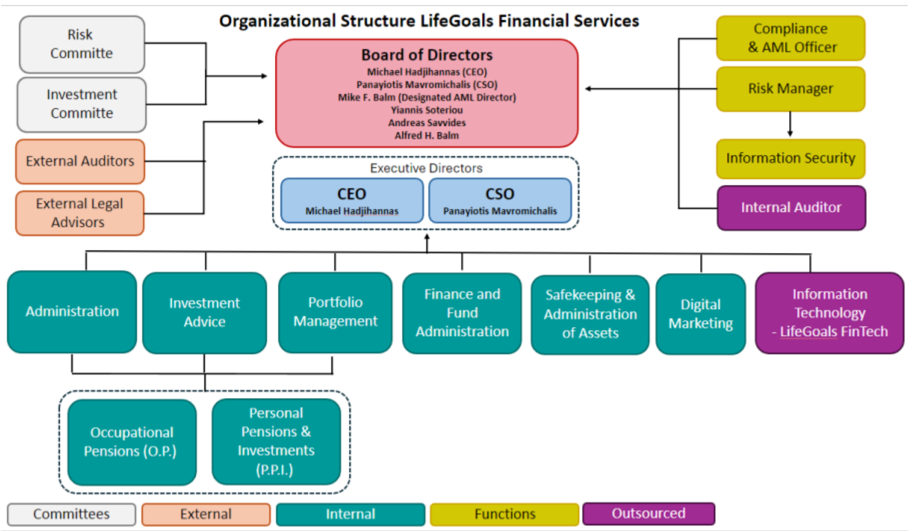
The information disclosed in the Disclosures is presented in thousands of Euro (“€’000”) unless otherwise indicated.

Risk Management Objectives & Policies

The effective management of risks of an organization, operating in a continuously changing risk environment, requires strong risk management function. To this end, the Company has established an effective risk oversight structure and the necessary internal organizational controls to ensure that the Company identifies and manages its risks adequately.

The procedures applied by the Company regarding risk management are documented in the Risk Management Framework (hereinafter named “RMF”). The roles, responsibilities, and expectations for specific tasks regarding RMF are outlined in the Risk Management Policy (hereinafter named “RMP”). The procedures and policies applied are according to the relevant legislation as a result, the Board and Senior Management to be satisfied that the risk management procedures is appropriate given the Company’s risk profile and strategy.

The organizational structure of the Company is outlined in the following diagram.



Governance

The principal responsibilities of the Board, the Senior Management, the Risk Manager, and the Internal Auditor in relation to the management of the Company's risks include the following.

- The Board reviews and discusses, during its meetings, the written reports prepared by the Risk Manager and identifies the risks faced by the Company;

- The Company's Senior Management also reviews the written reports prepared by the Risk Manager, applies the decisions of the Board with respect to risk management and monitors whether all the Company's risk management procedures are followed;

- The Internal Auditors evaluate the adequacy and effectiveness of the Company's internal control systems, policies, and procedures with respect to risk management and

- The Risk Manager ensures efficient management of the Company's risks in the provision of the investment and ancillary services to clients, as well as the risks underlying the operation of the Company, in general. Furthermore, the Risk Manager bears the responsibility to monitor the adequacy and effectiveness of the risk management policies and procedures that are in place, the level of compliance by the Company and its relevant persons with the policies and procedures adopted as well as complying and implementing the provisions of the Law.

Furthermore, the policies maintained by the Company are gender neutral. This includes, but is not limited to, remuneration, recruitment policies, career development and succession plans, access to training and the ability to apply for internal vacancies.

Moreover, the Risk Manager is responsible for making recommendations and whether the appropriate remedial measures have been taken in the event of any deficiencies identified, as aforementioned.

The responsibilities of the risk management function include, without limitation:

I. Establishing, implementing, and maintaining adequate risk management policies and procedures; adopting effective mechanisms and processes to manage the risks that the Company is exposed;

II. Monitoring the adequacy and effectiveness of the risk management policies and procedures, and the level of compliance while also, the effectiveness of measures taken to tackle the deficiencies;

III. Training the personnel of the company on risk related issues and

IV. Drafting written reports to the Senior Management and Board, making recommendations, and indicating whether appropriate remedial measures have been taken in the event of any deficiency.

A risk management report is prepared on an annual basis regarding the status of the Company's risk management policies and procedures and any remedial measures taken to tackle the deficiencies. The risk management report is presented to the Company's Board.

The risk management function is further strengthened by the following functions:

- Internal Audit;
- Compliance Officer (including the AML and Terrorist Financing) and
- Accounting and Finance.

Diversity Policy

The Company embraces diversity as it recognizes the benefits of having a diverse Board which makes use of differences in skills, experience, knowledge, background, and gender between Directors.

Article 10(2)(b)(ii) of the Law, sets targets for the representation of the under-presented gender in the Board and the preparation of a policy on how to increase the number of the under-presented gender in the Board in order to meet that target that is required. The Company recognizes the target and takes it into consideration when assessing the need for Board diversity. Currently, no female directors are members of the Board, and no specific diversity policy exists.

Roles and Responsibilities

Board of Directors

The Board has the overall responsibility for the establishment and oversight of the Company's RMF and RMP. The purpose of both, is to provide a clearly defined and well documented risk management strategy that sets the Company's risk management objectives, principles, overall risk appetite and responsibilities across the company's staff. All procedures and rules, as required by CySEC, are approved by the Board.

Number of directorships held by members of the Board:

Name	Executive/ Non-Executive (Position within Company)	Directorships – Executive	Directorships – Non-Executive
Michael Hadjihannas	Executive Director (Managing Director)	1	0
Panayiotis Mavromichalis	Executive Director (Head of European Markets)	1	0
Mike F. Balm	Non – Executive Director	1	1
Alfred Hendrikus Balm	Non - Executive Director	1	1
Andreas Savvides	Non - Executive Director	1	1
Yiannis Soteriou	Non - Executive Director	1	2

Risk Committee

The Risk Committee (hereinafter named "RC") has been formed with the view to ensure the efficient monitoring of the risks inherent in the provision of investment services to clients, as well as the risks underlying the operation of the Company in general, with the following mandate:

V. Forming Company's risk policy and framework with respect the limits and the terms for undertaking risks;

VI. Operates independently and is responsible for implementing the Risk Management policy;

VII. Ensuring that the Company has sufficient capital and reserves to support the risks undertaken and

VIII. Confirming the adequacy of the limits set for the undertaking of risks.

The RC was convened on a quarterly basis during the year of 2024.

Internal Audit

The Internal Audit function is independent from any other units of the Company and reports directly to the Board. It is responsible for conducting independent appraisals of the Company's activities, functions, and operations to ensure that an adequate framework of internal controls has been established and is operating effectively. The above function is outsourced to FAI Limited.

Legal and Compliance Officer

The Legal and Compliance Officer has the responsibility for ensuring procedures are in place to ensure compliance with laws and regulations, which relate to carrying out business transactions, internal policies, and procedures as well as standards of behavior to protect and enhance the reputation of the Company. The specific Officer reports to the Managing Director of the Company and thereafter to the Company's Board.

The duties of the Compliance Officer include amongst others the following:

- Supervising staff and activities with the aim of monitoring the adherence to the legislative framework that governs the Company, the identification of possible discrepancy from the applicable procedures and rules and the undertaking of proper measures for the prevention of errors;

- Continuously supervising and evaluating the compliance mechanism and the presentation of proposals for the improvement of their effectiveness to the Board;

- Monitoring the AML procedures and receiving information regarding suspicious transactions and

- Drafting and updating company documentation (IOM, AML manual etc.) so that they reflect all obligations of the Company under the applicable legislation and communicating these to staff, notifying them of any changes to their responsibilities.

Accounting and Finance

The Accounting and Finance function plays a key role in the Company complying with its financial reporting obligations. The specific function is responsible for preparing the Company's financial statements in accordance with applicable accounting standards and rules in order to reflect a fair and true view of the Company's financial position. The Company's statutory financial statements are audited by the Company's independent auditors, RSM Ltd and approved by the Board for approval. The approved financial statements are put before the shareholders of the Company at the annual General Meeting.

Own Funds Requirements & Capital Ratios

In accordance with the Directive, the Company's Own Funds must be disclosed as the amount of original Own Funds with separate disclosures of all positive terms (share capital, reserves brought forward, less any proposed dividends, translation differences and current period losses, as applicable).

The Company currently maintains only Tier 1 Capital as eligible Own Funds. The balance with the Investors Compensation Fund (hereinafter named "the ICF") and any Intangible Assets (computer software and website development) is deducted when deriving Tier 1 Capital.

Own Funds

As at 31st of December 2024 (based on unaudited financial statements), the Company's eligible Own Funds consisted of the following. The Company deducts from its Own Funds the balance with the ICF amounting to € 41,007.

Own Funds

	31 Dec 2024 (€'000)
Additional Capital Contribution	3,600
Share Capital	200
Retained Earnings	-2,709
Current Year Profit/ Loss	-301
Total Equity	**790**
Investors Compensation Fund	-41
CET1 Capital	**749**
Additional T1 Capital	-
Tier 1 Capital	**749**
Tier 2 Capital	-
Own Funds	**749**

Detailed composition of regulatory Own Funds according to Article 49 (a) and (c) of the Regulation is provided in the Appendix.

According to Article 11 of the Regulation, Class 2 investment firms Total Capital Requirements is the highest of the following:

- K-factor Requirements;
- Fixed Overhead Requirements and

– Permanent Minimum Capital Requirements.

At all times the Company makes sure that its Own Funds equal at least 120% of its Total Capital Requirements.

Green-Amber-Red levels	CET 1 Ratio	Total Capital Ratio	Own Funds
● Normal	>120%	>120%	> 301k
● Critical	120% - 100%	120% - 100%	300k - 251k
● Crisis	< 100%	< 100%	<250

K-factor Requirements

As at 31st of December 2024, the Company's capital requirements based on the K-factor methodology was the following.

K-factor Requirements

	31 Dec 2024 (€ '000)
K-factor (Risk to Client)	**K-factor Requirement**
K-AUM	34
K-CMH (on segregated accounts)	3
K-CMH (on non-segregated accounts)	-
K-ASA	34
K-COH cash trades	0.6
K-COH derivatives	0.1
Total K-factor Capital Requirement	**72**

The Company as a limited license CIF, its K-factor requirement is equal with only the Risk to Client proxies, Risk to Market and Risk to Firm are excluded from the calculation.

Fixed Overhead Requirements

As at 31st of December 2023, the Company's capital requirements based on the Fixed Overheads was the following.

Fixed Overhead Requirements

	31 Dec 2023 (€ '000)
Total expenses of the previous year after distribution of profits	**1,190**
Total Deductions	**-206**
Staff bonuses and other remuneration	0
Other discretionary payments of profits and variable remuneration	0
Shared commission and fees payable	-13
Non-recurring expenses from non-ordinary activities	-193
Annual Fixed Overheads of the previous year after distribution of profits	**1,000**
Fixed Overhead Requirements (25%* Annual Fixed Overheads)	**246**

CIF's that are classified as Class 2 according to Article 13 of the Regulation shall maintain sufficient capital to cover one quarter of the fixed overheads of the preceding year.

Total Capital Requirements and Capital Ratios

Total Capital Requirements

	31 Dec 2024 (€ '000)
K-Factor Requirements	72
Fixed Overheads Requirements	246
Permanent Minimum Capital Requirements	150
Total Capital Requirements	**246**

As of 31st December 2024, the Company was compliant with the CET1 Capital ratio, T1 Capital ratio and Total Capital ratio as per the Article 9 (1) of the Regulation. The Company's regulatory capital ratios are analyzed as follows.

Capital Ratios

	31 Dec 2024	
	Capital Limits	**Capital Ratios**
CET1 Capital ratio	56%	**304%**
Tier 1 Capital Ratio	75%	**304%**
Total Capital Ratio	100%	**304%**

Liquidity Risk and Requirement

Liquidity requirement in the scope of the new prudential framework for investment firms set out by IFR and IFD corresponds to the risk that the Company will not be able to meet its cash needs and/or other obligations.

As of 31st December 2024, the Company was compliant with its liquidity requirements, to hold an amount of liquid assets equivalent to at least one third of its Fixed Overhead Requirements calculated in accordance with Article 13(I) of the Regulation.

Liquidity Requirements

	31 Dec 2024 (€ '000)
Liquidity Requirement	**82**
Client guarantees	-
Total Liquid Assets	**203**
Unencumbered short term deposits	106
Total eligible receivables due within 30 days	97
Level 1 assets	-
Level 2A assets	-
Level 2B assets	-
Qualifying CIU shares/units	-
Total other eligible financial instruments	-

Residual and Other Risks and Mitigating Controls

The implementation of an efficient risk management structure is a critical undertaking for the Company. The Company's risk management function is supervised at the highest level to be compliant with local regulations be enforced the EU regulatory framework.

Apart from the risks that were introduced in the K-factor framework by the new prudential requirements regulation, and more specific the proxies of Risk to Clients, in the Disclosures the following risks which are considered by the Company the most important are presented below.

Although, the risks mentioned are interconnected with the K-factors in the Disclosures are separated in order to be able to capture any residual components not included in the regulatory perspective of risks.

The Company considers the below risks as the most important and hence, it continuously monitors in order to be mitigated if deemed necessary:

- Credit Risk;
- Operational Risk;
- Business Risk;
- Strategic Risk and
- Reputational Risk.

Credit Risk

Credit Risk may arise by failure of a counterparty and/or client on an investment, credit, or trading transaction to fulfill its part of the deal and may default on its contractual obligations. Credit Risk arises principally from the Company's cash in banks and trade receivables from clients. Trade receivables are shown net of any provision made for impairment.

The Company amongst others applies the following policies and strategies to mitigate Credit Risk regarding its financial activities:

- Ensures cash balances are held with licensed financial institutions and retains policies to limit the amount of credit exposure to any financial institution;

- Monitors continuously credit ratings by nominated ECAI external agencies and ratios such as, CET1 ratio, Reserves for Loan Losses, Liquidity Coverage ratio which state financial strength;

- Applies the method of diversification by splitting its cash reserves in multiple financial institutions and

- Utilizes stress tests that examine multiple scenarios of downgrade and default of financial institutions.

Also, the Company amongst others employs the below policies and strategies to minimize its exposure to Credit Risk from its operating activities:

- Monitors all contracts under Brokerage services;

- Requires that all clients' funds are cleared before providing the services of discretionary Portfolio Management or Brokerage;

- Ensures that sales of appropriate and suitable products and services are made to clients with sufficient experience, knowledge, and capital and

- Monitors all trade receivables occurred by Investment Advice services by preparing debtors ageing report on a monthly basis and follow up for collection if deemed necessary.

Operational Risk

Operational Risk is the risk of loss arising from inadequate or failed internal processes, people, system, and external events such as natural disasters. It is inherent in every business organization and covers a wide range of issues.

The Company manages Operational Risk through a control-based environment in which all processes and transactions are monitored and documented on an ongoing basis. This is further supported by a program of audits undertaken by the Internal and External auditors of the Company and by continuous monitoring of incidents to ensure that past failures are not repeated. The Company's IOM outlines the policies and procedures to be followed by its employees, and the reporting lines are in place for the functions and responsibilities of each department in order to minimize this risk in the greatest level.

The most important Operational risks considered by the Company is the risks of Business Disruption and System Failures and Information Communication Technology (ICT) and Security Risk. The Company amongst others applies the following policies and strategies to control these risks:

- Implementation of redundancy and failover systems for critical IT infrastructure and applications including, backup servers, data centers, and cloud-based services to ensure continuous availability.

- Regular audits and assessments of IT systems to identify vulnerabilities and areas for improvement. Implement routine maintenance and software updates to enhance system security and performance.

- Regular data backup procedures to minimize the impact of data loss in the event of system failures.

- Robust cybersecurity measures to protect against cyber threats and potential system breaches, including firewalls, and conduct regular security assessments.
- Antivirus and anti-malware software on endpoints to detect and mitigate malicious software.

- Disaster Recovery Plan (DRP) that outlines procedures for maintaining essential functions during disruptions such as power outage, internet connectivity, and non-functional offices, including communication plans, alternative work locations.

- Employee training and awareness on IT security best practices to reduce the risk of system failures caused by human error or security breaches.

- IT governance frameworks and ensure compliance with relevant regulations. Regularly review and update IT policies to align with industry best practices and evolving threats.

- Incident Management Policy in place clearly define incident response team, and communication channels to ensure a swift and coordinated record and response to identified issues.

Business Risk

Business Risk may arise from internal and external business environment including, macroeconomic forces well outside the control of the management including political changes, inflation foreign exchange rates or prevailing of interest rated and industry specific risk.

The Company amongst others applies the below policies and strategies to control Business Risk:

- Regular update risk assessments to account for changes in the business environment i.e., annual risk assessment and internal capital adequacy and risk assessment processes.

- A well-defined and communicated Risk Appetite and Tolerance Policy (RATP) that, ensures risk-taking aligns with the Company’s strategic objectives.

- Implementation of budgetary controls to monitor and manage financial risks.

- Implementation of internal controls within business processes to reduce the risk of errors, fraud, and inefficiencies.

- Board incorporates risk considerations into the strategic planning process, and it regularly monitors the execution of strategic initiatives and adjust plans as needed.

- Senior management conducts regular market research and analysis to identify emerging trends, customer preferences, and competitive threats. Continuous development by introducing new services and investments products on regular basis.

- Stringent quality controls to ensure products meet or exceed customer expectations, reducing the risk of reputational damage.

- Monitoring competitors' or market leaders activities and strategies to proactively respond to changes in the competitive landscape.

- Board and Senior Management is consisting of high caliber professionals who are recognized for their knowledge and experience.

Strategic Risk

Strategic Risk may arise if a business strategy fails to deliver the expected outcomes, affecting the Company's goals and objectives including but not limited to a technological change, an evolving competitive landscape, or changes in clients demands.

The Company amongst others applies the following policies and strategies to reduce exposure to Strategic Risk:

- A dedicated Risk Committee, ensuring that the Board and Senior Management consider risks factors when taking strategic discussions.

- A clear RATP that aligns with the Company's strategic goals, defining the acceptable level of risk-taking and ensure it is communicated throughout the organization.

- Risk assessments specific to digital strategies and technology-driven transformations. Identify cybersecurity, data privacy, and technological risks.

- Assessment of political risks associated with the Company's operations and services especially in EU markets.

- Implementation of internal controls to ensure prudent capital allocation in line with the Company's strategic priorities and regulatory requirements.

- Reputation risk assessments in the strategic planning process to Identify potential reputational threats.

- Board approval is required to initiate any project that might have an impact to the Company's short and long-term business plans.

- Continuous reporting to the Board regarding milestones and other goals achieved/ not achieved so that actual results can be measured in comparison to forecasts.

Reputational Risk

Reputational Risk may arise due to either loss of confidence in the Company's financial soundness or a perception of a lack of fair dealing with stakeholders. This risk is often one of the outcomes of experiencing a loss in another risk category.

The Company amongst others imposes the following policies and strategies to avoid arise of Reputational Risk:

- A comprehensive code of conduct that guides employees on ethical behavior and compliance with applicable laws and regulations.

- Mechanisms for gathering and addressing customer feedback. Promptly respond to customer concerns and complaints in a timely manner.

- Utilization of social media monitoring tools to track online conversations and sentiment to address negative comments or misinformation promptly.

- Ongoing training to employees regarding ethics. Ensure that employees understand the importance of ethical behavior and its impact on the organization's reputation.

- Board oversight on reputational risk management on annual basis by reviewing potential risks and the effectiveness of controls. Board is consisting of high caliber professionals who are recognized in the industry for their knowledge, experience, and integrity.

- Strict compliance with laws and regulations in order to avoid any violations that can have significant reputational implications.

- Draft supporting documents that cancel any defamation by competing parties.

Environmental, Social & Governance Risks

In accordance with Article 53 of the IFR, the Company monitors the average size of on and off-balance sheet assets with a view to disclosing relevant information on environmental, social and governance risks, including physical and transition risks. As of 31st December 2024, it does not meet the threshold in Article 32(4) of the IFD above under which further disclosures are required.

Remuneration Policy & Practices

During the reporting year, the following was applicable with regards to the Company's remuneration system.

The Company's remuneration system policy is concerned with practices of the Company for those categories of staff whose professional activities have a material impact on its risk profile, i.e. the Senior Management, members of the Board and the Heads of the Departments; the said practices are established to ensure that the rewards for the "Executive Management" are linked to the Company's performance, to provide an incentive to achieve the key business aims and deliver an appropriate link between reward and performance, whilst ensuring base salary levels are not set at artificially low levels. The Company operates a discretionary bonus policy directly correlated to the annual profitability of the Company. The Company uses remuneration as a key method of attracting and retaining key employees whose talent can contribute to the Company's short and long-term success. It is noted that the Company has considered its size, internal organization and the nature, scope and complexity of its activities and it does not deem necessary the establishment of a specific Remuneration Committee. Decisions on these matters are taken on a Board level, while the remuneration policy is periodically reviewed.

The Company, when formulating its Remuneration Policy and particularly for those categories of staff whose professional activities have a material impact on the Company's risk profile, takes into consideration gender neutrality in the sense that remuneration is calculated based on various factors other than gender. As such the Company takes into consideration gender pay gap and takes the appropriate measures to adopt equal remuneration standards.

The total remuneration of the Company's staff consisted of only fixed remuneration during the reporting year; no variable remuneration was employed mainly to avoid situations of excessive risk taking. However, the Company retains provisions for fixed and variable remuneration, where the two components are appropriately balanced, and the fixed component presents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component. Variable remuneration is a multiplier of performance and fixed component.

Fixed remuneration varies for different position/roles depending on each position's actual functional requirements, and it is set at levels which reflect the educational level, experience, accountability, and responsibility needed for an employee to perform each position/role. Fixed remuneration is also set in comparison with standard market practices employed by the other market participants/competitors.

Variable remuneration is designed to ensure that the total remuneration remains at competitive levels and to reward the staff for its performance, whilst remaining aligned with department's and/or the Company's performance. Other factors considered are the following:

- The financial viability of the Company;
- The general financial situation of the state in which the Company operates and
- Each employee's personal objectives (such as personal development, compliance with the Company's systems and controls, commitment, and work ethics).

The Company's variable remuneration (if any) is approved by the Board, for the employees of the compliance department and by the Senior Management, for the employees of the back-office department, dealing department and customer support department. No deferred remuneration or severance payments were made during the year. In addition, all variable and fixed remuneration was paid in cash, no shares or share-linked instruments were paid.

Remuneration of Management

Categorization	No. of Staff	Total Remuneration for the year (€)
Executive Directors	2	316,434
Non - Executive Directors	3	12,348
Senior Management	2	75,805
Other Staff	18	347,125
Total	25	751,712

Remuneration broken down by Business Area

Categorization	No. of Staff	Total Remuneration for the year (€)
Risk Management	1	38,916

Brokerage	1	26,098
Investment Advice	2	43,602
Portfolio Management	2	198,354
Finance	4	59.721
Other	12	372,674
Total	22	739,365

**Note: Remuneration figures are for the year end, December 2023 and include employer's contributions paid by the Company for the year ended 31 December 2023.*

Investment Policy

As per Article 52 of the Regulation, Class 2 investment firms shall disclose the information of Article 52(a) – (d) regarding their Investment Policy. The Company is exempt from the requirement of disclosing in regards to its Investment Policy since, neither of the thresholds specified on the Regulation for the application of this disclosing requirement are exceeded.

The two materiality thresholds are as follow:

I. Investment firms with on- and off-balance-sheet assets on average greater than €100 million over the four-year period immediately preceding a given financial year and

II. Investment firms whose shares are admitted to trading on a regulated market and in which the proportion of voting rights exceeds 5 % of all voting rights issued by the company are considered relevant for disclosure.

Board Declaration

The Board is responsible for reviewing the effectiveness of the Company's risk management arrangements and systems of financial and internal control. These are designed to manage rather than eliminate the risks of not achieving business objectives, and -as such- offer reasonable but not absolute assurance against fraud, material misstatement and loss.

The Board considers that it has in place adequate systems and controls regarding the Company's profile and strategy and an appropriate array of assurance mechanisms, properly resourced and skilled, to avoid, minimize or eliminate loss.

Board Risk Statement

The Company's strategic objective is to provide its customers the financial services and the financial instruments and have the clients' loyalty and trust.

The Company operates with a strong customer focus and provides a variety of financial instruments aiming to deliver value to its clients' investments. The Company has implemented and maintains adequate risk management policies and procedures which identify the risks relating to the Company's activities, processes, and systems, and where appropriate, set the level of risk tolerated by the Company. The Company has adopted effective arrangements, processes, and systems, considering the level of risk tolerance, where applicable. The Company's strategy is pursued within a defined Risk Appetite.

Other Information

The economic environment in 2024 and over the medium term is subject to a high degree of uncertainty, with the continuation of the war in Ukraine, Israel-Gaza conflict, rising tensions in US-China relations, high inflation and high interest rates threatening a significant slowdown in the global economy.

Cyprus' risk profile has improved significantly, but substantial risks remain in the domestic environment and in the external environment on which it depends.

Israel - Gaza Conflict

The Israel-Gaza conflict has escalated on 07 October 2023, with the launch of a major attack by Hamas. There might be a significant exposure and economic uncertainty for entities with operations, subsidiary entities or investment in the war area. Other entities, which do not have a direct exposure with the war area might also be indirectly affected by the negative global economy and global trade impact that arise due to the war.

Russia - Ukraine Conflict

The conflict between Russia and Ukraine continues to be highly unstable. The tension in the region impacted the Russian and global economies negatively and resulted to ongoing political tensions and international sanctions against certain Russian companies and individuals. The sanctions imposed restricted the parties from having access to foreign financial markets, including removing access of several Russian banks to the international SWIFT system.

The EU, UK and US (amongst others) have also imposed sanctions against the Russian central bank, restricting the access of the Russian state to foreign currency reserves, and introduced further asset freezes against designated individuals/entities and sectoral sanctions.

The situation is still evolving and further sanctions and limitations on business activity of companies operating in the region, as well as consequences on the Russian economy in general, may arise but the full nature and possible effects of these are unknown.

Management believes that it is neither significantly impacted from the Israel-Gaza nor the Russia-Ukraine conflict, as its operations are not affected by the situation, therefore are reasonably well positioned to withstand volatility and economic uncertainties that may arise from the geopolitical and global economic environment. Management will continue to monitor the situation closely and assesses appropriate actions when, and if, needed.

Appendix

Composition of Regulatory Own Funds

Own Funds Disclosure Template	As of December, 2024	Source of the balance sheet in the audited financial statements
Common Equity Tier 1 (CET1) capital: instruments and reserves	**Amount €'000**	
OWN FUNDS	749	Total equity less Intangible and ICF
TIER 1 CAPITAL	749	Total equity less Intangible and ICF
COMMON EQUITY TIER 1 CAPITAL	749	Total equity less Intangible and ICF
Fully paid-up capital instruments	3,115	Share Capital plus contributions from shareholder
Share premium		
Retained earnings	-2,709	Accumulated losses plus this year's earnings
Accumulated other comprehensive income		
Other reserves	685	Contributions from shareholder
Minority interest given recognition in CET1 capital		
Adjustments to CET1 due to prudential filters		
Other funds		
(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-342	Intangible assets plus ICF (Non-current assets)
(-) Own CET1 instruments		
(-) Direct holdings of CET1 instruments		
(-) Indirect holdings of CET1 instruments		
(-) Synthetic holdings of CET1 instruments		
(-) Losses for the current financial year	-301	Losses incurred for the current financial year
(-) Goodwill		
(-) Other intangible assets		
(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities		
(-) Qualifying holding outside the financial sector which exceeds 15% of own funds		
(-) CET1 instruments of financial sector entities where the institution does not have a significant investment		

(-) CET1 instruments of financial sector entities where the institution has a significant investment		
(-) Defined benefit pension fund assets		
(-) Other deductions	-41	Investors Compensation Fund (Non-current assets)
CET1: Other capital elements, deductions, and adjustments		
Fully paid up, directly issued capital instruments		
Share premium		
(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
(-) Own AT1 instruments		
(-) Direct holdings of AT1 instruments		
(-) Indirect holdings of AT1 instruments		
(-) Synthetic holdings of AT1 instruments		
(-) AT1 instruments of financial sector entities where the institution does not have a significant investment		
(-) AT1 instruments of financial sector entities where the institution has a significant investment		
(-) Other deductions		
Additional Tier 1: Other capital elements, deductions, and adjustments		
TIER 2 CAPITAL		
Fully paid up, directly issued capital instruments		
Share premium		
(-) TOTAL DEDUCTIONS FROM TIER 2		
(-) Own T2 instruments		
(-) Direct holdings of T2 instruments		
(-) Indirect holdings of T2 instruments		
(-) Synthetic holdings of T2 instruments		
(-) T2 instruments of financial sector entities where the institution does not have a significant investment		
(-) T2 instruments of financial sector entities where the institution has a significant investment		
Tier 2: Other capital elements, deductions and adjustments		

LifeGoals.

Own Funds: Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

Reconciliation of regulatory own funds to balance sheet in the audited financial statements		As of December, 2024 Amount €'000		Cross reference to EU IF CC1
		Balance Sheet as in published/audited financial statements	Under regulatory scope of consolidation	
Assets - Breakdown by Asset classes				
1	Property, plant, and equipment	7.879	7.879	
2	Intangible assets	0	0	Ref 19
3	Right-of-use asset	167.823	167.823	
4	Balance with Investors Compensation Fund	41.007	0	Ref 26
5	Trade and other receivables	671.567	671.567	
6	Cash at bank	105.686	105.686	
	Total Assets	**993.962**	**993.962**	
Liabilities—Breakdown by Liability classes				
1	Lease Liabilities	230.669	230.669	
2	Trade and other payables	94.402	94.402	
	Total Liabilities	**325.071**	**325.071**	
Shareholders' Equity				
1	Share Capital	200.000	200.000	Ref 4 & Ref 8
2	Contribution from shareholder	3,600.005	3,600.005	
3	Accumulated losses	-3,010.501	-3,010.501	Ref 6
	Total Shareholders' equity	**789.504**	**789.504**	

Own Funds: Main Features of Own Instruments issued by the Firm

Issuer	**LifeGoals Financial Services Ltd**
Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
Public or private placement	Private
Governing law(s) of the instrument	Cyprus Law
Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	€ 3,800,000
Nominal amount of instrument	€ 1
Issue price	€ 1
Redemption price	N/A
Accounting classification	Shareholders' Equity
Original date of issuance	N/A
Perpetual or dated	N/A
Original maturity date	No Maturity Date
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Coupons / dividends	-
Fixed or floating dividend/coupon	N/A
Coupon rate and any related index	N/A
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
Existence of step up or other incentive to redeem	N/A
Non-cumulative or cumulative	Non-cumulative
Convertible or non-convertible	Non-cumulative
If convertible, conversion trigger(s)	N/A

If convertible, fully or partially	N/A
If convertible, conversion rate	N/A
If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No
If write-down, write-down trigger(s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A
Link to the full term and conditions of the instruments (signposting)	N/A

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