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SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY AB TEWOX

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2024, PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS, AS ADOPTED BY THE EUROPEAN UNION

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Consolidated Statement of Financial Position

	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Right-of-use assets	3.2.	2,610,523	2,300,025
Investment property	3.3.	158,376,990	127,607,886
Other non-current assets	3.4.	1,944,708	374,000
Derivative financial instruments	3.5.	578,032	1,235,976
Total non-current assets		163,510,253	131,517,887
Current assets			
Other current assets	3.6.	432,786	4,546,625
Contract assets	3.7.	462,762	627,605
Trade receivables	3.8.	235,833	166,652
Derivative financial instruments	3.5.	-	25,820
Cash and cash equivalents	3.9.	2,718,036	3,338,331
Total current assets		3,849,417	8,705,033
TOTAL ASSETS		167,359,670	140,222,920

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

These consolidated financial statements have been electronically signed by:

Director of management company
Company manager
Representative of accounting company

Vilma Tvaronavičienė
Paulius Nevinskas
Tadas Pranckevičius

Consolidated Statement of Financial Position (cont'd)

	Notes	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	3.10.	41,863,344	38,036,364
Share premium	3.10.	636	636
Foreign currency translation reserve		943,225	763,248
Retained earnings		8,146,675	5,176,682
Total equity		50,953,880	43,976,930
Non-current liabilities			
Borrowings	3.11.	70,555,670	60,961,797
Lease liabilities	3.12.	2,674,875	2,333,744
Deferred tax liabilities	3.25.	2,277,222	982,455
Bonds issued	3.11.	23,648,330	-
Contract liabilities	3.13.	276,599	81,455
Total non-current liabilities		99,432,696	64,359,451
Current liabilities			
Trade and other payables	3.15.	6,219,575	1,138,898
Contract liabilities	3.13.	95,569	247,894
Borrowings	3.11.	2,281,419	2,991,225
Bonds issued	3.11.	8,309,192	24,965,133
Advance amounts received	3.14.	-	2,500,000
Lease liabilities	3.12.	1,502	691
Employee benefit obligations	3.16.	65,837	42,698
Total current liabilities		16,973,094	31,886,539
TOTAL LIABILITIES		116,405,790	96,245,990
TOTAL EQUITY AND LIABILITIES		167,359,670	140,222,920

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2024	2023
Income	3.17.	12,729,068	8,209,089
Gain on changes in fair value of investment property	3.3.	4,006,710	2,078,941
Real estate and land tax expense	3.18.	(659,058)	(380,872)
Maintenance and repair costs of buildings	3.19.	(906,567)	(587,947)
Utilities	3.20.	(212,483)	(145,317)
Administrative costs	3.21.	(2,412,953)	(1,991,243)
Wages and salaries and related expenses	3.22.	(520,905)	(347,916)
Other costs	3.23.	(397,645)	(493,409)
Operating profit		11,626,167	6,341,326
Finance costs	3.24.	(8,546,278)	(4,848,091)
Finance income	3.24.	1,470,533	2,921,225
Profit before tax		4,550,422	4,414,460
Income tax	3.25.	(1,180,429)	(924,104)
Net profit		3,369,993	3,490,356
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss:			
Exchange rate differences on translation of foreign operations		179,977	743,330
Net other comprehensive income that will not be reclassified to profit or loss		179,977	743,330
Total comprehensive income		3,549,970	4,233,686

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Paulius Nevinskas
Tadas Pranckevičius

Consolidated Statement of Changes in Equity

	Paid-up share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total
Balance as at 1 January 2023	31,430,000	-	19,918	1,686,326	33,136,244
Net profit	-	-	-	3,490,356	3,490,356
Other comprehensive income	-	-	743,330	-	743,330
Total comprehensive income for the year	-	-	743,330	3,490,356	4,233,686
Shares issued	6,606,364	636	-	-	6,607,000
Balance as at 31 December 2023	38,036,364	636	763,248	5,176,682	43,976,930
Balance as at 1 January 2024	38,036,364	636	763,248	5,176,682	43,976,930
Net profit	-	-	-	3,369,993	3,369,993
Other comprehensive income	-	-	179,977	-	179,977
Total comprehensive income for the year	-	-	179,977	3,369,993	3,549,970
Shares issued	3,826,980	-	-	-	3,826,980
Dividends	-	-	-	(400,000)	(400,000)
Balance as at 31 December 2024	41,863,344	636	943,225	8,146,675	50,953,880

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Company manager
Representative of accounting company

Vilma Tvaronavičienė
Paulius Nevinskas
Tadas Pranckevičius

Consolidated Statement of Cash Flows

	Notes	2024	2023
Profit before tax		4,550,422	4,414,460
Adjustments for:			
Finance income	3.24.	(1,470,533)	(2,921,225)
Finance costs	3.11., 3.24.	8,546,278	4,848,091
Right-of-use assets depreciation	3.2., 3.23.	31,943	22,994
Loss on acquisition of subsidiaries	3.17., 3.23.	-	69,701
(Increase) / decrease in fair value of investment property	3.3.	(4,006,710)	(2,078,941)
Cash flows from operating activities before working capital adjustments		7,651,400	4,355,080
Decrease / (increase) in trade and other receivables	3.6., 3.8.	5,465	(287,098)
Decrease / (increase) in contract assets	3.7.	164,843	(390,259)
Increase / (decrease) in trade and other payables	3.15.	5,103,816	258,888
Increase / (decrease) in contact liabilities	3.7.	42,819	184,266
Cash flows from operating activities after working capital adjustments		12,968,343	4,120,877
Income taxes paid		(180,092)	(320,054)
Net cash flows from operating activities		12,788,251	3,800,823
Acquisition of investment property	3.3.	(25,300,172)	(54,904,364)
Acquisition of subsidiaries	3.1.	-	(67,114)
Payments from (to) deposit bank account	3.4., 3.9.	(1,570,708)	287,294
Net cash flows used in investing activities		(26,870,880)	(54,684,184)
Advance amounts received for shares to be issued	3.10.	-	2,500,000
Interest paid	3.11.	(7,801,163)	(2,115,385)
Dividends paid	3.24.	(400,000)	-
Proceeds from borrowings	3.11.	46,875,587	57,545,440
Repayments of borrowings	3.11.	(37,279,133)	(24,552,458)
Bonds issued	3.11.	33,754,919	24,087,602
Bonds redeemed	3.11.	(22,377,635)	(10,128,063)
Prepayments made	3.6.	-	(4,275,354)
Other finance costs	3.24.	(400,896)	(101,692)
Shares issued	3.10.	1,326,980	6,606,364
Payment of lease liabilities	3.12.	(175,732)	(114,404)
Share premium		-	636
Net cash flows from financing activities		13,522,927	49,452,686
Net change in cash and cash equivalents		(559,702)	(1,430,675)
Cash and cash equivalents at the beginning of the year		3,338,331	3,577,277
Impact of foreign exchange rate		(60,593)	1,191,729
Cash and cash equivalents at the end of the year		2,718,036	3,338,331

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Company manager
Representative of accounting company

Vilma Tvaronavičienė
Paulius Nevinskas
Tadas Pranckevičius

Notes to the consolidated Financial Statements

1. General information

Special closed-end real estate investment company AB Tewox (hereinafter referred to as the "Company") was registered in the Republic of Lithuania on 6 April 2021, registration number 305733600. The address of the Company is Jogailos g. 4, Vilnius. Data is stored and compiled with the Centre of Registers. On 26 April 2021 the Supervision Service of the Bank of Lithuania approved the Articles of Association of the Company and allowed to choose the depositary. The code assigned to the Company is F095.

The Company's purpose is to earn a return to shareholders from investments in income-generating real estate objects in the Baltic Sea Region countries – Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland and Germany. The period of operation of the Company is 50 years from the moment when the Supervision Service of the Bank of Lithuania approves the Articles of Association of the Company, i.e. until 26 April 2071. When the Company will redeem the shares from the Company's shareholders. During the period of the Company's operation, the redemption of shares is restricted.

The paid-up share capital of the Company as at 31 December 2024 was equal to EUR 41,863,344 (31 December 2023 – EUR 38,036,364). Share capital is divided into 41,863,344 (2023 – 38,036,364) ordinary intangible shares with a nominal value of EUR 1 per share. Share premium amounts to EUR 636 (31 December 2023 – EUR 636). The Company does not have its own shares.

As at 31 December 2024 the Company controlled the following subsidiaries:

Subsidiary	Country	Acquisition date	Ownership interest	Number of shares	Nominal value, EUR
UAB Janonio 27	LT	18/06/2021	100%	1,226,500	1.00
UAB Investicija 21	LT	26/08/2021	100%	1,356,000	1.00
SIA Gronvest	LV	25/10/2021	100%	2,800	1.00
UAB SMI Alytus	LT	27/10/2021	100%	18,500	2.90
UAB BFIII Kaunas	LT	23/11/2021	100%	3,955	144.81
UAB Kuršėnų turtas	LT	31/01/2022	100%	1,108,000	1.00
Peppercon 8 Sp. z o.o.	PL	01/02/2022	100%	100	11.72
Reninvest Holding OU	EE	31/08/2022	100%	1	10,000.00
UAB Esulda	LT	20/10/2022	100%	2,500	1.00
KA Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
PR Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
SW Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
PU Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
GL Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
UAB MD Europa	LT	13/12/2022	100%	100,000	0.29
UAB Lairina	LT	18/05/2023	100%	2,500	1.00
Valcutel Investments sp. z o.o.	PL	22/08/2023	100%	100	11.72
Dotilleby Investments sp. z o.o.	PL	22/08/2023	100%	100	11.72
Baixeredost Investments sp. z o.o.	PL	26/09/2023	100%	100	11.72
UAB JUPA Turtas	LT	22/10/2024	100%	1,000	1.00

As at 31 December 2023 the Company controlled the following subsidiaries:

Subsidiary	Country	Acquisition date	Ownership interest	Number of shares	Nominal value, EUR
UAB Janonio 27	LT	18/06/2021	100%	1,226,500	1.00
UAB Prekybos centrų plėtros investicijos	LT	26/08/2021	100%	1,356,000	1.00
SIA Gronvest	LV	25/10/2021	100%	2,800	1.00
UAB SMI Alytus	LT	27/10/2021	100%	18,500	2.90
UAB BFIII Kaunas	LT	23/11/2021	100%	3,955	144.81
UAB Kuršėnų turtas	LT	31/01/2022	100%	1,108,000	1.00
Peppercon 8 Sp. z o.o.	PL	01/02/2022	100%	100	11.52
Reninvest Holding OU	EE	31/08/2022	100%	1	10,000.00
UAB Esulda	LT	20/10/2022	100%	2,500	1.00
KA Park Sp. z o.o.	PL	24/11/2022	100%	100	11.52
PR Park Sp. z o.o.	PL	24/11/2022	100%	100	11.52

Subsidiary	Country	Acquisition date	Ownership interest	Number of shares	Nominal value, EUR
SW Park Sp. z o.o.	PL	24/11/2022	100%	100	11.52
PU Park Sp. z o.o.	PL	24/11/2022	100%	100	11.52
GL Park Sp. z o.o.	PL	24/11/2022	100%	100	11.52
UAB MD Europa	LT	13/12/2022	100%	100,000	0.29
UAB Lairina	LT	18/05/2023	100%	2,500	1.00
Valcutel Investments sp. z o.o.	PL	22/08/2023	100%	100	11.52
Dotilleby Investments sp. z o.o.	PL	22/08/2023	100%	100	11.52
Baixeredost Investments sp. z o.o.	PL	26/09/2023	100%	100	11.52

The main activity of the subsidiaries is the development and management of real estate. Subsidiaries generate income from real estate objects located in Lithuania and Poland, except for the subsidiaries SIA Gronvest and Reninvest holding OU operating in Latvia and Estonia.

The management of the Company has assessed whether the Company meets the definition and characteristics of an investment entity under IFRS 10. Based on the management's assessment, the Company does not meet the definition and characteristics of an investment entity, as firstly, the Company not only provides investment management services, but the Company's manager actively involved in day-to-day operations of the Company. The Company's manager is responsible for negotiating with tenants and signing contracts. Moreover, the management company has more employees who are responsible for maintenance work, such as area cleaning, pipe repairing, etc. Secondly, the Company does not have an exit strategy, and it is designed to operate as a cash-generating unit.

Therefore, based on the above, the Company has assessed the control of subsidiaries and has prepared the consolidated financial statements to present the assets, liabilities, equity, expenses and cash flows of the Company and its subsidiaries as those of a single economic entity (thereinafter - the Group).

As at 31 December 2024 the Group had 10 employees (4 employees as at 31 December 2023).

The management of the Company has been transferred to the management company UAB Lords LB Asset Management (hereinafter referred to as the Management Company), which was established and registered on 8 September 2008, the company code 301849625, registered office address at Jogailos g. 4, Vilnius, Republic of Lithuania. The Management Company data is compiled and stored with the Register of Legal Entities of the Republic of Lithuania. Based on the decision of the Lithuanian Securities Commission, dated 23 December 2008, UAB Lords LB Asset Management was granted Licence (no. VJK – 016) to engage in the activities of a management company in accordance with the Lithuanian Law on Collective Investment Undertakings. Based on Decision no. 03-201 of the Board of the Bank of Lithuania, dated 5 December 2013, the asset management company's Licence no. VJK – 016 was expanded with the right to manage collective investment undertakings established under the Lithuanian Law on Collective Investment Undertakings Intended for informed Investors. On 23 June 2015 the Management Company was granted Licence (no. 1) to engage in the activities of a management company in accordance the Lithuanian Law on Law on Managers of Alternative Collective Investment Undertakings.

The depositary of the Company is AB Swedbank, company code 112029651, registered office address at Konstitucijos pr. 20A, 03502, Vilnius, Lithuania.

The Company's audit is carried out by PricewaterhouseCoopers, UAB, company code 111473315, registered office address at J. Jasinskio g. 16B, LT-03163 Vilnius, operating under Certificate no. 001273 issued by the Lithuanian Chamber of Auditors.

The financial year of the Group coincides with the calendar year.

According to the laws of the Republic of Lithuania, the Group has prepared annual consolidated financial statements that must be approved at the Board meeting. Members of the Board have the right to approve or refuse to approve them, and to require the preparation of new consolidated financial statements.

2. Accounting policy

The following are the material accounting principles used by the Group in preparing these consolidated financial statements.

2.1. Basis for preparation

For financial accounting and reporting purposes of the Company, the Management Company follows the Republic of Lithuania Law on Financial Accounting, the Republic of Lithuania Law on Collective Investment Undertakings, generally accepted accounting principles as defined in International Financial Reporting Standards (IFRS), adopted for use in the European Union (EU), as well as other legal acts.

The Company's accounting records are kept separately from the Management Company in accordance with the approved chart of accounts. The Company is managed in accordance with the Republic of Lithuania Law on Collective Investment Undertakings.

The consolidated financial statements have been prepared on a going concern basis and based on the assumption that the Group will be able to continue its activities in the foreseeable future.

These consolidated financial statements have been prepared on the basis of the historical cost convention, adjusted for the revaluation of investment property and derivative financial instruments at fair value through profit or loss.

All amounts in these consolidated financial statements are presented in the euros (EUR). Transactions denominated in foreign currency are accounted for at the official exchange rate of the Bank of Lithuania effective at the date of the transaction. Gains and losses on such transactions and on the revaluation of foreign currency assets and liabilities at the date of the statement of financial position are recorded in the statement of profit and loss and other comprehensive income. Such balances are translated using the exchange rate effective at the end of the reporting period.

2.2. Calculation of net asset value (NAV)

The Company's net asset value is calculated as the difference between the value of the Company's assets and liabilities. The Company's NAV calculation principles are set out in the Company's prospectus and Articles of Association. The Company's NAV is determined on the last calendar day of each quarter in the calendar year. During the periods of non-public offering of shares distribution, the Company's NAV may be additionally determined on the last calendar day of the calendar month preceding the calendar month in which the decision to increase the share capital has been made. In the case of redemption of shares, NAV may be additionally determined on the last calendar day of the calendar month in which redemption takes place.

For NAV calculation purposes, the Company is not consolidated with its subsidiaries. When calculating NAV, the equity securities held by the Company are valued at fair value based on the valuation of an independent appraiser, and therefore, may differ from the amount of equity attributable to the Company's shareholders as reported in these consolidated financial statements.

The value of the Company's shares is determined as the NAV divided by the total number of paid-up shares in circulation. The value of the Company's shares is determined at four decimal places accuracy.

The Company's net assets value (NAV) and the value of shares are calculated in euros.

2.3. Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities (subsidiaries) as of 31 December of each year. The Company is considered to have control when it has the following:

- power over an investee;
- rights to a variable return from its involvement with the investee; and
- ability to use its power to affect the returns on investment.

Consolidation of a subsidiary begins when the Company obtains control of the subsidiary and ceases when the Company loses control of the subsidiary. The results of acquisitions or disposals of subsidiaries during the year are included in profit or loss from the date on which the Company obtains control until the date that the Company ceases to control the subsidiary.

The main activities of the subsidiaries are carried out in Poland where national currency is the Polish zloty (PLN), and local financial statements are prepared using the national currency, therefore it was decided to consider the zloty as the functional currency of the subsidiaries.

All the Group's assets and liabilities, equity, income, expenses and cash flows related to intra-group transactions are eliminated on consolidation.

2.4. Asset acquisitions

Where assets are acquired through acquisitions of subsidiaries or otherwise, management considers the substance of the assets and activities of the acquiree in determining whether the acquisition represents the acquisition of a business or assets. Where such acquisitions are determined to be not an acquisition of a business, they are not treated as business combinations. Rather, the costs of acquisition of subsidiaries or the cost of assets and liabilities acquired is allocated between the assets and liabilities of the acquiree based on their relative values at the acquisition date.

2.5. Financial risk management

The Group is exposed to market, credit, liquidity, foreign exchange, and capital management risks. These risks are managed in accordance with the best practice principles. Management continuously monitors these risks to ensure the adequacy of financing and hedging strategies.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments. The Group is not exposed to price risk.

The following sections provide the description of each type of the market risk and the impact on the Group's results.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's non-current liabilities with floating interest rates.

Interest rate risk may arise from a variable EURIBOR interest rate, the changes in which would increase or decrease the Group's receivables and/or payables.

The Group's borrowings have a variable interest rate linked to EURIBOR and give rise to interest rate risk. The Group has financial liabilities with a variable interest rate as follows:

	31 December 2024	31 December 2023
Financial assets	-	-
Financial liabilities	(72,837,090)	(88,918,155)
	(72,837,090)	(88,918,155)

The changes in the Group's result of operations due changes in EURIBOR interest rate is presented in the table below:

	Increase by 2,5 p.p.	Decrease by 2,5 p.p.	Increase by 1 p.p.	Decrease by 1 p.p.
31 December 2023	(2,222,954)	2,222,954	(889,182)	889,182
31 December 2024	(1,820,927)	1,820,927	(728,371)	728,371

As at 31 December 2024 and 31 December 2023 the Group hedged its bank borrowings against the variable interest rate risk (note 3.5.).

The nominal value of interest rate swap instrument is provided below:

	31 December 2024	31 December 2023
Interest rate swap nominal value	37,274,141	30,969,706
	37,274,141	30,969,706

If the EURIBOR interest rate changed by one percentage point, the Group's result of operations would change as follows:

	Increase by 1 p.p.	Decrease by 1 p.p.
31 December 2023	12,618	(12,618)
31 December 2024	5,780	(5,780)

The fair value of the interest rate swap is presented in Note 3.5.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The Group's payments with related to the Group's activities in Poland are mostly made in local currency zloty. Accordingly, there is a risk that the Group's receivables and payables will increase or decrease due to changes in the exchange rate.

Meanwhile, the Group's payments related to the Group's activities in Lithuania and the Baltic Region are made in euro, except for isolated cases that may occur, so there is no material foreign exchange risk.

The Group had not entered into any financial instrument transactions intended to manage foreign exchange rate fluctuations risk.

As at 31 December, the Group's assets and liabilities giving rise to foreign exchange rate risk are presented in the table below:

	31 December 2024	31 December 2023
Assets	98,573,517	80,419,114
Liabilities	(19,796,133)	(39,796,606)
Net assets	78,777,385	40,622,508

If the exchange rate of euro to Polish zloty changed by one percentage point, the Group's equity would change as indicated below:

	Increase by 1 p.p.	Decrease by 1 p.p.
31 December 2023	402,203	(410,328)
31 December 2024	779,974	(795,731)

Although a large part of the Group's assets consists of property in Poland, accounted for in zlotys, the management of the Group has determined that the functional currency of the Group is euros, since the majority of the Group's payments are made in euros, the majority of lease agreements are concluded in euros, and the Group's all borrowings are in euros.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks arising from both its leasing activities and financing activities, including deposits with banks and financial institutions and derivative financial instruments.

The Group's credit risk relates mainly to receivables for which expected credit losses are calculated using an individual assessment. Receivables consist of the following:

Trade receivables under contracts with customers

Tenants are assessed according to the Group's criteria prior to entering into lease agreements. Credit risk is managed by requiring tenants to make prepayments for rent and services provided to tenants. Outstanding receivables from tenants are regularly monitored by the Group's management. An impairment test is performed at each reporting date on an individual basis for all receivables from

tenants. Generally, the receivables are written-off if they are past due for more than 181 days. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Financial instruments and cash deposits

Credit risk arising from cash balances with the banks and other financial institution is limited as the Group performs operations with banks with high long-term credit ratings issued by foreign rating agencies. Bank ratings are presented in Note 3.9. Given the high credit ratings of banks, the Group's management considers the probability of bankruptcy of banks to be close to zero.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to fully meet its obligations under the intended terms or may only do so under materially disadvantageous conditions. The purpose of the Group is to maintain sufficient liquidity resources to carry out its activities, cover its financial obligations and provide funds for capital expenditure and investment opportunities. The Group aims to achieve its goals in the following ways:

- Prepare regular forecast cash flows to project the use of funds; and
- Identify future financing, including new debt opportunities.

The table below summarizes the maturity of the Group's financial liabilities on the basis of undiscounted contractual payments:

31 December 2024

	Cash flows				
	Total	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	After 5 years
Interest-bearing borrowings and liabilities	124,724,103	17,504,247	6,773,676	100,446,181	-
Lease liabilities	14,705,297	196,200	196,200	588,600	13,724,297
Trade payables	5,499,175	222,208	116,686	5,154,597	5,629
Contract liabilities	372,168	95,569	276,599	-	-
	145,300,743	18,018,224	7,363,160	106,189,377	13,729,926

31 December 2023

	Cash flows				
	Total	Up to 1 year	Between 1 - 2 years	Between 2 - 5 years	After 5 years
Interest-bearing borrowings and liabilities	90,929,404	28,895,773	8,518,014	53,515,617	-
Lease liabilities	12,678,825	163,087	163,087	489,261	11,863,390
Trade payables	459,890	459,890	-	-	-
Contract liabilities	329,349	329,349	-	-	-
	104,397,468	29,848,099	8,681,101	54,004,878	11,863,390

The information on the Group's cash at bank is presented in Note 3.9 and trade receivable from contracts with customers in Note 3.8.

The Group does not have any undrawn credit lines. The information on the Group's going concern is presented in Note 3.28.

Capital management

The Group's objectives in the management of capital are to safeguard the Group's ability to continue its activities as a going concern in order to provide returns to investors and benefits other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued share capital, and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group performs the following in order to maintain capital structure and ensure effective capital management:

- Regularly monitor the performance of the Group and adjust distributions the Group pays to shareholders;
- Issue new shares in accordance with the constitutional documents of the Group to existing or new shareholders;
- Restrict redemption of shares in accordance with the constitutional documents.

2.6. Principles for recognizing revenue from contracts with customers

Rental income

Rental income from operating leases is recognized on a straight-line basis over the lease term. Discounts or other incentives to enter into a lease are recognized on a straight-line basis over the term of the lease, regardless of cash flows. The lease term is the minimum period for which the lessee must lease the leased object. The lease term includes an additional period for which the lessee is given the option to extend the lease if the Company's management reasonably believes that the lessee will exercise this option.

Termination income or compensation for damage caused by a lessee is recognized when it is probable that the economic benefits associated with the termination of the transaction, or the damage will flow to the Group.

Utility revenue

The Group provides utilities to customers who rent premises from the Group. The Group does not provide utilities itself but arranges for the services to be provided to the customer, so the Group acts as an intermediary. Only net income, which remains for the Group as commissions, is recognized as revenue. Revenue is recognized when the service is rendered.

2.7. Segment information

The Group operates in one operating segment from which it recognizes income – retail. The Group acquires, develops, and leases shopping malls. Further, the Group generates income from two geographical areas – Lithuania and Poland.

The breakdown of the Group's income and investment property by operating segment and geographical area are presented in the table below:

	Retail
Rental income	12,729,068
Lithuania	5,042,679
Poland	7,686,389
Investment property	158,376,990
Lithuania	63,684,691
Poland	94,692,299

There are no revenues from transactions with a single external customer that account for 10% or more of the Group's total revenues.

2.8. Expense recognition

The Company may incur only such expenses that are related to the management of the Company and are set forth in the Company's prospectus or Articles of Association. All other costs not specified in the prospectus or Articles of Association or exceeding the agreed upon limits are covered by the Management Company.

The following expenses incurred by the Company are covered from the Company's assets: management fee, depositary fee, remuneration of auditors and asset appraisers, accounting, exchange rate hedge, litigation, accounts with financial institutions, accounts for securities and other account handling fees, collateral documentation, registration and deregistration of collateral, enforced debt recovery, state and municipal taxes and levies, the Company's reporting to participants, the Company's establishment, consultation, fees paid to financial intermediaries of the Company. The total amount of these expenses shall not exceed a limit of 15% of the Company's average annual NAV.

For individual types of costs, maximum cost amounts are set from the Company's average annual NAV:

Type of expense	Maximum amount
Depository fee	0.20 %

Shareholders pay a one-off distribution fee to the management company or another distributor in accordance with the conditions described below, which apply to each shareholder individually. The amount of the distribution fee shall be:

- 2.0% of the amount paid for the shares, if the amount paid by the shareholder for the shares is EUR 249,999 or less;
- 1.0% of the amount paid for the shares, if the amount paid by the shareholder for the shares is between EUR 250,000 and EUR 499,999;
- 0.0% of the amount paid for the shares if the amount paid by the shareholder for the shares is EUR 500,000 or more.

The management fee is the consideration paid to the Management Company for the management of the Company's assets, which is calculated as follows:

- from the start of the Company's operation to the first day of the investment – EUR 50,000;
- from the first day of the investment until the end of the month in which the Company's NAV reaches EUR 150,000,000 – 1.50% annually of the Company's NAV for the respective month;
- from the beginning of the month following the month in which the Company's NAV reaches EUR 150,000,000 to the end of the month in which the Company's NAV reaches EUR 250,000,000 – 1.00% annually of the Company's NAV for the respective month;
- from the beginning of the month following the month in which the Company's NAV reaches EUR 250,000,000 – 0.75% annually of the Company's NAV for the respective month.

The Articles of Association of the Company provide for a success fee for the management company, which depends on the Company's net return on investment throughout its life. When the 10 % minimum acceptable rate of return is exceeded, the success fee is recorded on an accruals basis.

All other fees to the management company, the depositary and other expenses shall be recognized on an accrual basis.

2.9. Leases

Lease – Group as a lessor

The Group, as lessor, enters into leases for certain of its investment property. Under IFRS 16, a lease where the Group is the lessor, is classified as a finance or operating lease. When the terms of a lease transfer substantially all the risks and rewards incidental to ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating the lease of a non-current asset and adding the underlying asset are added to the carrying amount of the underlying asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables.

Lease – Group as a lessee

For leases where the Group acts as a lessee, the right-of-use assets and the corresponding lease liability are recognized from the moment the underlying asset becomes available for use by the Group.

A right of use asset is measured at acquisition cost, which includes an initial measurement of the lease liability, lease payments made at or before the commencement date of the lease of the asset (less the lease incentives received), initial direct costs incurred by the Group. Lease liabilities are valued at net present value of lease payments.

Lease payments are discounted at the interest rate implicit in the lease agreement. If interest rate cannot be readily determined, the lessee's incremental borrowing rate may be used. This is the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group incurs a potential future increase in variable lease payments dependent on an index specified in a lease agreement that is not included in the measurement of the lease liability until it becomes effective. When the lease payments are revised due to a change in the index, the lease liability is remeasured and adjusted, and the amount of remeasurement is recognised as an adjustment to the right-of-use assets.

Lease payments are allocated between the cost of covering the lease liability and the interest expense. Interest expense in each period of the lease term is recognized in profit/loss at a constant interest rate for the remaining amount of the lease liability.

Right-of-use assets are depreciated over the lease term of the asset.

2.10. Income tax

The calculation of income tax is based on the annual profit, taking into account the deferred income tax. Income tax is calculated in accordance with the requirements of the tax laws of the Republic of Lithuania, Republic of Latvia, Republic of Poland and Republic of Estonia.

Lithuania

The Group's 2024 profit is taxed at a 15% corporate income tax rate in accordance with the Law on Corporate Income Tax of the Republic of Lithuania. The Group's 2025 profit will be taxed at a 16% corporate income tax rate in accordance with the amended Law on Corporate Income Tax of the Republic of Lithuania.

In accordance with the Law on Corporate Income Tax of the Republic of Lithuania, the income of companies with legal status of an investment company operating under the Law on Collective Investment Undertakings is non-taxable. Accordingly, based on the Law on Corporate Income Tax, costs incurred in earning non-taxable income are treated as non-allowable deductions. Thus, all income of the Company is non-taxable, and all expenses are non-allowable deductions.

Tax losses may be carried forward for an indefinite period of time, except for losses arising from the transfer of securities and / or derivatives. Such a transfer is terminated if the Company ceases to carry on the activities that caused the loss, unless the Company ceases to carry on the activities for reasons beyond its control. Losses from the transfer of securities and / or derivatives can be carried forward for 5 years and covered only from the profit of the same type of transactions. The amount of deductible tax losses carried forward may not exceed 70% of the amount of taxable profit for the reporting year.

Deferred tax is provided using the balance sheet liability method. Deferred tax reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax assets are recognized in the statement of financial position to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. If it is probable that part of the deferred tax will not be realized, this part of the deferred tax is not recognized in the consolidated financial statements.

Latvia

The corporate income tax rate applicable to companies of the Republic of Latvia is 20 %.

In accordance with the Law of the Republic of Latvia on Corporate Income Tax, taxation period is one month and current tax for the reporting period is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Corporate income tax is calculated on:

- distributed profit (dividends calculated, disbursements equivalent to dividends, conditional dividends); and
- conditionally distributed profit (expenditure not related to economic activities, doubtful debts, excessive interest payments, loans to related parties, decrease in income or excessive expenses incurred by entering into transactions at other than market prices that should be calculated using the methodology determined by the Cabinet of Ministers of Republic of Latvia, other expenses as specified in the Law on Corporate Income Tax of Republic of Latvia).

In accordance with the Law of the Republic of Latvia on Corporate Income Tax deferred tax assets or liabilities are not recognized, as rules of the law eliminate all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Poland

The corporate income tax rate applicable to companies of the Republic of Poland is 19%.

Estonia

The corporate income tax rate applicable to companies of the Republic of Estonia is 20%.

In accordance with the Law of the Republic of Estonia on Corporate Income Tax, taxation period is one month and current tax for the reporting period is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Corporate income tax is calculated on:

- distributed profit (dividends calculated, disbursements equivalent to dividends, conditional dividends); and
- conditionally distributed profit (expenditure not related to economic activities, doubtful debts, excessive interest payments, loans to related parties, decrease in income or excessive expenses incurred by entering into transactions at other than market prices that should be calculated using the methodology determined by the Cabinet of Ministers of Republic of Estonia, other expenses as specified in the Law on Corporate Income Tax of Republic of Estonia).

In accordance with the Law of the Republic of Estonia on Corporate Income Tax deferred tax assets or liabilities are not recognized, as rules of the law eliminate all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

2.11. Finance income and costs

The Group's finance income and costs include interest income, interest expense, commitment fee and the positive or negative effects of changes in foreign exchange rates on financial assets and financial liabilities, and loan administration expenses.

Interest income or expense is recognized using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

2.12. Investment property

The investment property of the Group consists of commercial buildings and land.

Investment property is property held to earn rentals and / or for capital appreciation. Investment property is initially recognized at cost plus all relevant transaction costs. Subsequently, after initial recognition, investment property is measured at fair value by an independent appraiser. Gains or losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of finished goods comprises the cost of materials, direct labour and other costs directly attributable to bringing the investment property to working condition for its intended use, as well as capitalized borrowings.

An investment property is derecognized upon disposal or when the investment property ceases to be used in its entirety and no future economic benefits are expected from its sale. Any gain or loss arising on derecognition of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the investment property is derecognized.

Repair costs of investment property carried at fair value are recognized as an expense in the period in which they are incurred.

2.13. Financial assets

The Group recognizes a financial asset in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. The purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

The Group has financial assets that are subsequently measured at amortized cost.

Financial assets measured at amortized cost

The Group's receivables are accounted for using the business model, in which the purpose of holding financial assets is to collect contractual cash flows, which may include cash flows related to the payment of principal and interest.

Loans and receivables are initially recognized at acquisition cost (fair value of consideration receivable). When measuring financial assets at amortized cost, the Group applies the effective interest method.

Loans, bonds and receivables are classified as current assets, unless they have a maturity of more than 12 months after the statement of financial position date. In the latter case, they are classified as non-current assets.

Expected credit loss

The Group considers a financial asset in default when contractual payment is 90 days past due and is higher than the deposit paid by debtor. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group monitors the increase in credit risk by monitoring the timely execution of debts. A significant increase in credit risk is considered when the debt is overdue and there is no reason to believe that the debt will be repaid soon.

Credit risk arising from cash at banks is limited as the Group carries out operations with banks with high long-term credit ratings issued by foreign rating agencies. Bank ratings are presented in Note 3.9. Given high credit ratings of banks, the Group considers the probability of bankruptcy to be zero.

2.14. Financial liabilities

The Group has financial liabilities measured only at amortized cost, i.e. trade payables, loans and bonds.

Borrowings, bonds and other payables

Borrowings and bonds are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost and any difference between proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the maturity term of the borrowings.

Borrowings are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade payables

Trade payables are liabilities to pay for goods or services provided by suppliers during the normal course of business. Trade payables are classified as current liabilities if they are due to be settled within one year or less (or during the normal operating cycle, whichever is longer). Otherwise, they are classified as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.15. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as interest rate swaps (IRS) to hedge against interest rate risks. The Group does not apply hedge accounting. Hence, derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The change in the fair value of a hedging instrument is recognized in the statement of profit or loss and other comprehensive income.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

2.16. Valuation techniques and assumptions used in fair value measurement of assets and liabilities, frequency of investment revaluation

The Group's assets, other than assets measured at amortized cost or under the cost method, and liabilities are reported in the consolidated financial statements at fair value at the end of the reporting period.

The fair values of the Group's financial instruments as at 31 December 2024 are presented in the table below:

	Carrying amount			
	Fair value through PL	Financial assets at amortized cost	Other financial liabilities	Total
Financial assets measured at fair value				
Derivative financial instruments	578,032	-	-	578,032
	578,032	-	-	578,032
Financial assets not measured at fair value				
Other assets	-	2,377,494	-	2,377,494
Contract assets	-	462,762	-	462,762
Trade receivables	-	235,833	-	235,833
Cash and cash equivalents	-	2,718,036	-	2,718,036
	-	5,794,125	-	5,794,125
Financial liabilities not measured at fair value				
Borrowings	-	-	72,837,089	72,837,089
Bonds issued	-	-	31,957,522	31,957,522
Lease liabilities	-	-	2,676,377	2,676,377
Contract liabilities	-	-	372,168	372,168
Trade and other payables	-	-	6,219,575	6,219,575
Employment-related liabilities	-	-	65,837	65,837
	-	-	114,128,568	114,128,568

The fair value of the Group's financial instruments as at 31 December 2023 are presented in the table below:

	Carrying amount			
	Fair value through PL	Financial assets at amortized cost	Other financial liabilities	Total
Financial assets measured at fair value				
Derivative financial instruments	1,261,796	-	-	1,261,796
	1,261,796	-	-	1,261,796
Financial assets not measured at fair value				
Other assets	-	4,920,625	-	4,920,625
Contract assets	-	627,605	-	627,605
Trade receivables	-	166,652	-	166,652
Cash and cash equivalents	-	3,338,331	-	3,338,331
	-	9,053,213	-	9,053,213
Financial liabilities not measured at fair value				
Borrowings	-	-	63,953,022	63,953,022
Bonds issued	-	-	24,965,133	24,965,133
Lease liabilities	-	-	2,334,435	2,334,435
Contract liabilities	-	-	329,349	329,349
Trade and other payables	-	-	1,138,898	1,138,898
Employment-related liabilities	-	-	42,698	42,698
	-	-	92,763,535	92,763,535

Fair values are presented in the following levels of the fair value hierarchy, based on the variables used in the valuation techniques:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation where the lowest level inputs that are significant in determining fair value are observable directly or indirectly;
- Level 3 – valuation techniques where the lowest level inputs that are significant in determining fair value are unobservable.

As at 31 December 2024 and 31 December 2023 the carrying amount of the Group's assets and liabilities approximated their fair value under the Level 3 valuation technique.

The fair value of cash on hand and in credit institutions is equal to their nominal value.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices, and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to credit risk adjustment that reflects the credit risk of the Group and of the counterparty. This is calculated based on credit spreads derived from current credit default swap or bond prices.

The fair value of the interest rate swaps is calculated by the counterparty (credit institution) and presented to the Group on a quarterly basis. The Group considers the estimated fair value of the interest rate swap calculated by the credit institution to be a reliable source for setting the fair value under the Level 3 valuation technique.

The Group invests in real estate directly or by acquiring equity securities of the special purpose vehicles that own such objects.

The fair value of real estate objects (both directly owned by the Company and special purpose vehicles acquired or established by the Company) is determined according to the data provided by an independent property appraiser entitled to perform valuation and meeting the criteria set out in the Company's foundation documents. The valuation is carried out at least twice a year in the absence of substantial changes in economic or market prices requiring a revaluation. If the valuation of assets belonging to special purpose vehicles is performed, the valuation of the equity securities of those entities is also performed.

2.17. Share capital and value of shares

The share capital is recognized in the statement of financial position at the subscribed value and is accounted for in euro.

The value of the share is calculated as the Company's NAV at the date of calculation divided by the number of paid-up shares in circulation.

As described in section 2.2. Accounting Policy, the Company's equity may differ from the Company's NAV, therefore, the share price calculated as the Company's NAV divided by the number of paid-up shares may differ from the share price calculated as the Company's equity divided by the number of paid-up shares.

2.18. Investment portfolio structure

The Management Company will seek to diversify the Company's investment portfolio in accordance with the Articles of Association approved by the Company, according to which:

- The total amount of investments in real estate under construction may not exceed 20% of the Company's net asset value.
- The total amount of investments in commercial income-generating real estate is expected to be at least 80% of the Company's net asset value.
- The total amount of investments in real estate for other purposes may not exceed 10% of the Company's net asset value.
- The total amount of investments in the EU sovereign bonds and/or corporate bonds, money market instruments and bank term deposits with a maximum maturity of 3 years that are liquid and rated as investment grade (by S&P or any alternative certified rating agency) may not exceed 20% of the Company's net asset value.
- The total amount of investment in a single immovable property and the movable property and/or equipment necessary for its operation may not exceed 40% of the Company's net asset value.
- Not less than 50 % of the Company's net asset value is invested in real estate objects located in euro zone countries.

The structure of the Company's investment portfolio described above will be achieved within four years of the approval of the Company's Articles of Association by the supervisory authority.

2.19. Significant accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties. Future events may change the assumptions used in making the estimates. The effect of changes in such estimates will be recognized in the consolidated financial statements when determined.

Asset acquisitions

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition by its substance represents the acquisition of a business or the acquisition of an asset. Accordingly, the Group assesses whether acquisition consists of only assets acquired or a business combination as a whole, where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which substantive processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, etc.).

During 2024, the Company established the following subsidiary (see Note 3.1):

- UAB JUPA Turtas which was dormant at the time of establishment.

The Company invests in real estate objects through subsidiaries.

During 2023, the Company acquired the following subsidiaries (see Note 3.1):

- UAB „Lairina”, which was dormant at the time of acquisition;
- Valcutel Investments sp. z o.o., which was dormant at the time of acquisition;
- Dotilleby Investments sp. z o.o., which was dormant at the time of acquisition;
- Baixeredost Investments sp. z o.o., which was dormant at the time of acquisition.

The difference between the fair value of the net assets of the acquired subsidiaries and the acquisition price paid by the Group, was recognized as the Group's expenses in the Group's consolidated statement of profit and loss and other comprehensive income, since the subsidiaries had no assets or liabilities to which the price difference could be attributed (see Note 3.23).

The acquired subsidiaries are used as special-purpose vehicles through which the Company invests in real estate objects. Considering that the value of the assets of the acquired subsidiaries mostly consists of real estate objects managed by those subsidiaries and that none of the acquired subsidiaries provides additional services, which would make up acquisition of business, therefore, based on the management's judgement, all transactions are accounted for as acquisitions of assets, with the acquisition price being allocated to the acquired assets. In addition, no goodwill or deferred tax arising on acquisition is recognized.

Investment property fair value measurement

The Group has investment property which is measured at fair value through profit and loss based on valuation reports prepared by independent appraiser. For the fair value measurement of investment property assumptions are used. For more information about the assumptions used see Note 3.3.

2.20. Application of new and revised IFRS accounting standards

New standards, amendments to standards and interpretations that are effective for periods beginning on or after 1 January 2024

The Group has assessed that there are no amendments to standards and interpretations that are effective from 2024 that would have a material impact on the Group's consolidated financial statements. The Group does not have any leaseback transactions, supplier financing agreements or long-term liabilities.

New and amended standards and interpretations that the Group must apply for reporting periods beginning on or after 1 January 2025

The Group has assessed that the new and amended standards and interpretations will not have a material impact on the Group's consolidated financial statements and the Group has not adopted these standards, amendments and interpretations earlier than their effective date.

Standards, interpretations and amendments not yet adopted by the European Union

The Group believes that the standards, interpretations and amendments not yet adopted will not have a significant impact on the Group's consolidated financial statements and the Group has not early adopted such standards.

3. Notes

3.1. Asset acquisitions

Acquisitions in 2024

On 22 October 2024, the Company established UAB JUPA Turtas under the act of establishment.

Acquisitions in 2023

On 18 May 2023, the Company acquired UAB Lairina under the shares purchase and sale agreement.

On 22 August 2023, the Company acquired two subsidiaries in Poland Valcutel Investments Sp. Z o.o. and Dotilleby Investments Sp. Z o.o. under the shares purchase and sale agreements.

On 26 September 2023, the Company acquired Baixeredost Investments Sp. Z o.o. under the shares purchase and sale agreement.

The fair value of the net assets of the acquired companies at the date of acquisition is given below:

	UAB Lairina	Valcutel Investments sp. Z o.o.	Dotilleby Investments sp. Z o.o.	Baixeredost Investments sp. Z o.o.	Total
Other current assets	-	94	20	348	462
Cash and cash equivalent	2,500	596	992	2,683	6,771
Total assets:	2,500	690	1,013	3,031	7,233
Trade and other payables	-	-	-	(3,049)	(3,049)
Total liabilities:	-	-	-	(3,049)	(3,049)
Net assets:	2,500	690	1,013	(19)	4,183
Acquisition price	3,500	3,001	3,406	1	9,908

During 2023, there was a price adjustment for the subsidiary UAB MD Europa acquired in 2022, as a result of which the Group recognized more than EUR 63 thousand expense on asset acquisition (**Note 3.23**).

The difference between the fair value of the net assets of the acquired subsidiaries and the acquisition price paid by the Group, was recognized as the Group's expenses in the Group's consolidated statement of profit and loss and other comprehensive income, since the subsidiaries had no assets or liabilities to which the price difference could be attributed (**see Note 3.23**).

3.2. Right-of-use assets

As at 31 December 2024 the Group, as a lessee, had long-term lease agreements for the lease of land used for the construction and development of the real estate objects. The term of the lease agreements concluded by the Group ranges between 67 and 88 years.

Information about the Group's right-of-use assets is presented in the table below:

	Right-of-use asset
Balance as at 1 January 2023	930,406
Additions	1,200,657
Adjustment on change in lease payments	193,725
Depreciation	(22,994)
Exchange rate differences	(1,769)
Balance as at 31 December 2023	2,300,025
Additions	333,095
Adjustment on change in lease payments	(27,141)
Depreciation	(31,943)
Exchange rate differences	36,487
Balance as at 31 December 2024	2,610,524

Right-of-use assets and lease liabilities are recognized in the Group's Consolidated Statement of Financial Position (see Note 3.12), meanwhile depreciation of right-of-use assets and interest expense on lease liabilities for the year are recognized in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income (see Notes 3.23 and 3.24, respectively).

Depreciation of right-of-use assets was recognized in other costs, in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income (see Note 3.23). The exchange rate difference was recognized as other comprehensive income in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The Group's lease payments totalled EUR 175,732 in 2024 (EUR 114,404 in 2023). The Group's additions to right-of-use assets amounted to EUR 333,095 in 2024 (EUR 1,200,657 in 2023) (see Note 3.12).

3.3. Investment property

	Investment property
Fair value as at 1 January 2023	69,004,293
Additions	54,904,364
Change in fair value of investment property	2,078,941
Exchange rate differences	1,620,288
Fair value as at 31 December 2023	127,607,886
Additions	25,300,172
Change in fair value of investment property	4,006,710
Exchange rate differences	1,462,222
Fair value as at 31 December 2024	158,376,990

Information about the results of the investment properties is provided below:

	31 December 2024	31 December 2023
Rental income derived from investment properties	10,856,130	7,029,459
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	(1,778,108)	(1,114,136)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	(3,331,503)	(2,832,568)
Gain from investment properties carried at fair value	5,746,519	3,082,755

As the Group's main activity is to generate income from investment property, the Group's all rental income is rental income generated from investment properties and all direct costs are related to investment property.

The minimum lease payment receivable in the future under the concluded lease agreements are presented in the table below:

	31 December 2024	31 December 2023
Less than 1 year	10,388,537	9,324,112
During 1 – 2 years	9,655,335	8,316,821
During 2 – 3 years	7,260,121	6,499,463
During 3 – 4 years	6,449,447	4,752,265
During 4 – 5 years	5,618,336	4,047,887
Over 5 years	13,435,568	11,677,841
	52,807,344	44,618,389

Part of the leases have an indefinite period. The minimum lease payments for those agreements were calculated for a minimum period of notice by the tenants on termination of the lease.

The fair value of the Group's investment property was determined based on valuation reports. The valuations were performed using the income and comparable transactions methods. The valuations' assumptions and sensitivity analysis are presented in the table below:

	31 December 2024	31 December 2023
Discount rate applied (%)	6.80 – 9.95	6.80 – 10.50
Capitalization rate applied (%)	6.0 – 8.5	6.0 – 8.5
Change in value after increasing discount rate by 1 p.p.	(8,730,000)	(7,500,000)
Change in value after decreasing discount rate by 1 p.p.	9,510,000	8,170,000
Change in value after increasing capitalization rate by 0.5 p.p.	(4,860,000)	(4,080,000)
Change in value after decreasing capitalization rate by 0.5 p.p.	5,570,000	4,650,000

The Group has no restrictions on the realizability of its investment properties and no contractual commitments to purchase, construct or develop investment properties or perform repairs, maintenance, and enhancements. During 2024 the Group acquired investment property with a total acquisition value of approximately EUR 23.9 million:

- Commercial building, located at Dariaus ir Girėno g. 83, Jurbarkas, Lithuania;
- Commercial building, located at Chrobrego 2, Radom, Poland;
- Commercial building, located at Zgierska 211, Łódź, Poland;
- Land plot, located at Artojų g. 46, Kaunas, Lithuania.

The fair value of prepayments paid for investment property as at 31 December 2024 was equal to carrying amount of EUR 1,098,429 (as at 31 December 2023 – EUR 855,000) and was equal to purchase price. As no variables were present, the sensitivity analysis was not prepared. As at the date of issue of these consolidated financial statements, the ownership of investment property had not been transferred to the Group. As at 31 December 2024 the Group's construction works in progress, classified as investment property, amount to EUR 1,155,245 (as at 31 December 2023 – EUR 195,087).

During 2023 the Group acquired investment property with a total acquisition value of approximately EUR 54 million:

- Land plot, located at Mokyklos g. 2, Ukmergė, Lithuania;
- Commercial building, located at Sikorskiego 59, 81, Głowno, Poland;
- Commercial building, located at Młynarska 131, Kalisz, Poland;
- Commercial building, located at Lwowska 17a, Przemyśl, Poland;
- Commercial building, located at Generała Fieldorfa „Nila” 12, 14, Puławy, Poland;
- Commercial building, located at Sikorskiego 22, Świdnica, Poland.

The fair value of investment property classification as at 31 December 2024 according to the fair value hierarchy is presented in the table below:

	1 Level	2 Level	3 Level	Fair value
Investment property	5,419,369	10,410,223	142,547,398	158,376,990

3.4. Other non-current assets

	31 December 2024	31 December 2023
Cash in restricted bank accounts	1,474,708	-
Cash deposited as a security	470,000	374,000
Total	1,944,708	374,000

As at 31 December 2024, the Group had pledged the amount of EUR 470,000 (as at 31 December 2023 – EUR 374,000) as a long-term deposit to bank to secure fulfilment of the requirements under the loan agreements. The bank undertakes to return the deposit to the Group as soon as all the conditions stipulated in the loan agreement are met.

Cash in restricted bank accounts is related to received deposits from tenants.

3.5. Derivative financial instruments

Swap agreement	Nominal value	Residual nominal value	Maturity	31 December 2024	31 December 2023
Credit institution 3	9,450,000	7,596,661	23/01/2025	15,241	264,645
Credit institution 1	4,823,000	4,645,174	31/07/2028	204,644	213,223
Credit institution 1	1,505,000	1,459,672	31/07/2028	63,859	66,535
Credit institution 1	5,250,000	5,056,431	31/07/2028	222,762	232,100
Credit institution 1	3,024,000	2,912,504	31/07/2028	128,311	133,690
Credit institution 1	4,298,000	4,168,553	31/07/2028	182,368	190,013
Credit institution 2	3,582,000	2,832,500	17/08/2026	(68,099)	78,858
Credit institution 2	1,381,250	1,287,500	15/12/2026	(36,196)	41,929
Credit institution 2	1,381,250	1,336,301	07/12/2026	(37,995)	40,803
Credit institution 3	6,000,000	5,978,845	20/09/2027	(96,863)	-
Total				578,032	1,261,796

As at 31 December 2024, the Group had a variable interest rate swap agreement with the banks for the amount of EUR 40,694,500 (as at 31 December 2023 – EUR 32,493,750) in order to hedge against the interest rate changes for the Bank loan (7), Bank loan (10), Bank loan (11), Bank loan (12), Bank loan (13), Bank loan (14), Bank loan (18), Bank loan (19), Bank loan (20). The interest rate on swap transactions ranges from 2% to 3.87%.

According to the hedge agreement, the Group pays a fixed interest rate to the bank. Meanwhile, depending on the variable interest rate in the market, the Group pays interests to the bank if the market interest rate is negative, or the bank pays interests to the Group if the market interest rate is positive.

The change in the fair value of the derivative financial instrument during 2024 and its balance as at 31 December 2024 is presented in the table below:

	Fair value at the beginning of the period	Change in fair value	Accrued interests	Paid (Received) interests	Effects of changes in exchange rates	Fair value at the end of the period
Interest rate swap	1,261,796	(671,254)	361,534	(393,468)	19,424	578,032
Total	1,261,796	(671,254)	361,534	(393,468)	19,424	578,032

The change in the fair value of the derivative financial instrument during 2023 and its balance as at 31 December 2023 is presented in the table below:

	Fair value at the beginning of the period	Change in fair value	Accrued interests	Paid (Received) interests	Effects of changes in exchange rates	Fair value at the end of the period
Interest rate swap	514,507	657,375	292,678	(267,539)	64,775	1,261,796
Total	514,507	657,375	292,678	(267,539)	64,775	1,261,796

3.6. Other current assets

	31 December 2024	31 December 2023
Prepaid income tax	341,232	60,201
Cash in restricted bank accounts	38,430	-
Deferred expenses	26,773	8,868
Deposits	19,084	96,321
Prepayments to suppliers	7,267	46,217
Receivable VAT	-	59,664
Prepayment for bonds redemption	-	4,275,354
Total	432,786	4,546,625

Prepayments consist of a prepayment on redemption of bonds and accrued interest thereon executed on 28 December 2023. Bonds redemption was registered on 2 January 2024.

3.7. Contract assets and liabilities

	31 December 2024	31 December 2023
Contract assets	462,762	627,605
Trade receivables (Note 3.8)	235,833	166,652
Deposits received on rent of premises (Note 3.13)	(372,168)	(329,349)
Total	326,427	464,908

As at 31 December 2024, EUR 462,762 of rental income was accrued, which had not yet been invoiced (as at 31 December 2023 – EUR 627,605). The expected credit loss on contract assets was considered immaterial, and therefore, was not recognized.

Trade receivables relate to rental income of premises. For more detailed information, see the relevant notes.

3.8. Trade receivables

	31 December 2024	31 December 2023
Trade receivables	339,589	264,487
Expected credit loss	(103,756)	(97,835)
Total	235,833	166,652

Trade receivables consist of receivables from Group customers on the basis of invoices issued (rent, utility costs, etc.).

Movements in the provision for expected credit loss of receivables is presented in the table below:

	Expected credit loss
Net book value at 1 January 2023	(339)
Recognized expected credit loss	(97,496)
Written off expected credit loss	-
Net book value at 31 December 2023	(97,835)
Recognized expected credit loss	(5,921)
Written off expected credit loss	-
Net book value at 31 December 2024	(103,756)

Ageing of trade receivables

	Total	Not overdue	1 - 30 days	31 - 90 days	91 - 180 days	More than 181 days	Expected credit loss
31 December 2023	166,652	73,052	59,107	115,677	16,312	339	(97,835)
31 December 2024	235,833	131,485	78,242	982	737	128,143	(103,756)

Group as a lessor

The Group has agreements on lease of investment property portfolio. The commercial property leases typically have lease terms ranging between 1 and 15 years and include clauses to enable periodic upward revision of the rental charge in view of the prevailing market conditions. Some leases contain early termination options.

Rental income is recognized directly in profit or loss over the lease period and is charged to the statement of profit or loss and other comprehensive income.

3.9. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash at bank	2,752,439	3,452,769
Demand deposits	435,597	259,562
Cash deposited as security (Note 3.4)	(470,000)	(374,000)
Total	2,718,036	3,338,331

The fair value of cash and cash equivalents as at 31 December 2024 and 31 December 2023 approximated their carrying amount.

Demand deposits consist of cash balances on bank accounts, which can only be used for repayment of the deposits to the lessees.

The credit risk arising from cash balances on bank accounts is limited as the Group conducts transactions with banks with high long-term credit ratings issued by foreign rating agencies, therefore, expected credit loss was not recognized due to immateriality. The bank ratings are given below:

	Moody's	Standard & Poor's
AB Swedbank	AA3	A+
SEB bankas, AB	AA3	A+
Luminor Bank AS	A2	-
mBANK SA	A2	A-
Pekao	A2	A-

Net debt reconciliation

	Financial debts	Cash and cash equivalents	Total
Net debt as at 1 January 2023	(39,566,753)	3,577,277	(35,989,476)
Operating and investment cash flows	-	(55,327,452)	(55,327,452)
Acquisition of a subsidiary	-	(67,114)	(67,114)
Borrowings	(57,545,440)	57,545,440	-
Repayments of borrowings	34,680,521	(34,680,521)	-
Interest paid	2,382,924	(2,382,924)	-
Bonds issued	(24,087,602)	24,087,602	-
Payments from long-term deposits	-	287,294	287,294
Interest charged	(4,629,579)	-	(4,629,579)
Issue of shares	-	6,606,364	6,606,364
Share premium	-	636	636
Advance amounts received for issuing non-publicly offered shares	-	2,500,000	2,500,000
Exchange rate differences	(152,226)	1,191,729	1,039,503
Net debt as at 31 December 2023	(88,918,155)	3,338,331	(85,579,824)
Operating and investment cash flows	-	(13,088,549)	(13,088,549)
Dividends paid	-	(400,000)	(400,000)
Borrowings	(46,875,587)	46,875,587	-
Repayments of borrowings	37,279,133	(37,279,133)	-
Interest paid	8,194,631	(7,801,163)	393,468
Bonds issued	(33,754,919)	33,754,919	-
Transfers from (to) an escrow bank account	-	(1,570,708)	(1,570,708)
Bonds redeemed	26,652,989	(22,377,635)	4,275,354
Interest charged	(7,301,141)	-	(7,301,141)
Issue of shares	-	1,326,980	1,326,980
Exchange rate differences	(71,562)	(60,593)	(132,155)
Net debt as at 31 December 2024	(104,794,611)	2,718,036	(102,076,575)

3.10. Equity

	31 December 2024	31 December 2023
Paid-up share capital	41,863,344	38,036,364
Share premium	636	636
Total	41,863,980	38,037,000

As at 31 December 2024, the paid-up share capital of the Company amounted to EUR 41,863,344 (as at 31 December 2023 – EUR 38,036,364) and it was divided into 41,863,344 ordinary intangible shares with a nominal value of EUR 1 each. During 2024, the share capital was increased through the issue of 3,826,980 ordinary shares with the nominal value of EUR 1 each (during 2023 – 6,606,364 ordinary shares with the nominal value of EUR 1 each). As at 31 December 2024, share premium amounted to EUR 636 (as at 31 December 2023 – EUR 636).

The table below shows the values of the shares issued by the Company as at 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
Balance at January 1	38,037,000	31,430,000
Shares issued	3,826,980	6,606,364
Balance at 31 December	41,863,980	38,036,364

Legal reserve

The laws of the Republic of Lithuania require the formation of a legal reserve. The Company is required to transfer annually 5% of the distributable profit calculated in accordance with the requirements of the legal acts regulating accounting in the Republic of Lithuania until the legal reserve reaches 10% of the amount of the authorized share capital. The Company's legal reserve had not been formed yet as at 31 December 2024 and 31 December 2023.

Net assets value (NAV)

	31 December 2024	31 December 2023
Equity	50,953,880	43,976,930
Increase (decrease) in net assets	(7,505,600)	(7,300,034)
Net assets value (NAV)	43,448,280	36,676,896
Paid-up share capital	41,863,344	38,036,364
Share value, EUR	1.0379	0.9643

IFRS require the preparation of consolidated financial statements of the Company containing consolidated equity of the Company and the Group companies. Meanwhile, according to the Procedure for Calculation of NAV, approved by the Management Company, the Company's NAV is calculated based on the fair value of the Company's unconsolidated net assets. Therefore, as at 31 December 2024 and 31 December 2023, there was a difference between the Company's equity and NAV.

3.11. Borrowings and bonds issued

Details of non-current borrowings:

Non-current borrowings	Maturity date	31 December 2024	31 December 2023
Bank loan (3)	31/12/2027	-	4,616,667
Bank loan (4)	25/08/2026	-	2,832,500
Bank loan (5)	15/12/2026	-	1,287,500
Bank loan (6)	31/12/2026	-	1,330,540
Bank loan (7)	07/01/2027	9,431,042	9,978,833
Bank loan (8)	20/12/2028	-	5,605,720
Bank loan (9)	20/12/2028	-	3,671,540
Bank loan (10)	02/08/2028	4,022,186	4,135,542
Bank loan (11)	02/08/2028	5,716,646	5,877,808
Bank loan (12)	02/08/2028	6,414,898	6,595,740
Bank loan (13)	02/08/2028	2,001,759	2,058,193
Bank loan (14)	02/08/2028	6,982,860	7,179,714
Bank loan (15)	18/12/2029	6,017,600	-
Bank loan (16)	18/12/2029	7,226,943	-
Bank loan (17)	18/12/2029	6,471,114	-
Bank loan (18)	18/12/2029	3,471,029	-
Bank loan (19)	18/12/2029	3,145,429	-
Bank loan (20)	25/07/2029	9,654,164	-
Non-current loan (1)	25/01/2025	-	5,791,500
Bonds issued (5)	05/10/2026	23,648,330	-
Total		94,204,000	60,961,797

Details of current borrowings and bonds issued:

Current portion of non-current borrowings	Maturity date	31 December 2024	31 December 2023
Bank loan (3)	31/12/2027	-	227,176
Bank loan (4)	25/08/2026	-	165,000
Bank loan (5)	15/12/2026	-	75,000
Bank loan (6)	31/12/2026	-	80,000
Bank loan (7)	08/01/2027	545,240	532,352
Bank loan (8)	20/12/2028	-	278,873
Bank loan (9)	20/12/2028	-	335,558
Bank loan (10)	02/08/2028	111,941	207,569
Bank loan (11)	02/08/2028	159,150	295,011
Bank loan (12)	02/08/2028	178,570	331,034
Bank loan (13)	02/08/2028	55,729	103,302
Bank loan (14)	02/08/2028	194,396	360,350
Bank loan (15)	18/12/2029	192,400	-
Bank loan (16)	18/12/2029	231,057	-
Bank loan (17)	18/12/2029	206,886	-
Bank loan (18)	18/12/2024	110,971	-
Bank loan (19)	18/12/2029	100,571	-
Bank loan (20)	25/07/2029	194,509	-
Short-term bonds issued			
Bonds issued (2)	07/09/2024	-	15,735,208
Bonds issued (3)	30/04/2024	-	9,229,925
Bonds issued (4)	11/02/2025	8,309,191	-
Total		10,590,611	27,956,358

The interest rates on bank loans consist of a variable component – EURIBOR, and a fixed component – the bank's margin, which ranges from 1.95% to 3.2%. A fixed interest rates ranging from 8.5% to 12% apply to long-term loans and issued bonds.

Carrying amounts of assets pledged under loan agreement as at 31 December 2024, and 31 December 2023:

Loan agreement	31 December 2024	31 December 2023
Bank loan (3)	-	10,650,000
Bank loan (4)	-	5,870,000
Bank loan (5)	-	2,400,000
Bank loan (6)	-	2,950,000
Bank loan (7)	23,000,000	21,550,000
Bank loan (8)	-	10,290,000
Bank loan (9)	-	12,320,000
Bank loan (10)	8,300,000	8,300,000
Bank loan (11)	11,340,000	11,340,000
Bank loan (12)	13,280,000	13,280,000
Bank loan (13)	4,400,000	4,200,000
Bank loan (14)	14,850,000	14,810,000
Bank loan (15)	10,790,000	-
Bank loan (16)	12,910,000	-
Bank loan (17)	12,160,000	-
Bank loan (18)	6,190,000	-
Bank loan (19)	5,670,000	-
Bank loan (20)	17,060,000	-
Total	150,740,000	117,960,000

Pledged investment property is presented in Note 3.3.

Under the credit agreements, the Group must comply with the DSCR, LTV and positive equity ratio covenants. In 2024 and 2023, the Group complied with the covenants under the loan and bond agreements.

The table below shows the movement of borrowings and bonds during 2024 and their balance as at 31 December 2024:

	Balance at the beginning of the year	Proceeds	Repayments	Accrued interest	Interest paid	Exchange rate difference	Balance at the end of the year
Current liabilities							
Bonds issued (2)	15,735,208	-	(15,014,304)	1,024,188	(1,745,092)	-	-
Bonds issued (3)	9,229,925	-	(9,073,280)	165,265	(321,910)	-	-
Bonds issued (4)	-	10,106,589	(2,565,405)	673,422	(476,518)	-	7,738,088
Short-term loan (1)	5,791,500	-	(5,500,000)	626,453	(917,953)	-	-
Short-term loan (2)	-	600,000	(600,000)	8,017	(8,017)	-	-
Short-term loan (3)	-	4,000,000	(4,000,000)	129,556	(129,556)	-	-
Short-term loan (4)	-	1,000,000	(1,000,000)	31,778	(31,778)	-	-
Non-current liabilities							
Bank loan (3)	4,843,843	-	(4,843,843)	274,664	(274,664)	-	-
Bank loan (4)	2,997,500	-	(2,997,500)	169,818	(169,818)	-	-
Bank loan (5)	1,362,500	-	(1,362,500)	85,491	(85,491)	-	-
Bank loan (6)	1,410,540	-	(1,410,540)	78,518	(78,518)	-	-
Bank loan (7)	10,511,185	-	(550,827)	643,480	(643,480)	15,924	9,976,282
Bank loan (8)	5,884,593	-	(5,875,000)	396,505	(406,098)	-	-
Bank loan (9)	4,007,098	-	(4,000,000)	265,991	(273,089)	-	-
Bank loan (10)	4,343,111	-	(142,476)	282,001	(358,122)	9,613	4,134,127
Bank loan (11)	6,172,819	-	(202,501)	400,807	(508,998)	13,669	5,875,796
Bank loan (12)	6,926,774	-	(227,230)	449,770	(571,176)	15,330	6,593,468
Bank loan (13)	2,161,495	-	(70,908)	140,348	(178,232)	4,785	2,057,488
Bank loan (14)	7,540,064	-	(247,346)	489,589	(621,744)	16,693	7,177,256
Bank loan (15)	-	6,210,000	-	8,662	(8,662)	-	6,210,000
Bank loan (16)	-	7,458,000	-	11,051	(11,051)	-	7,458,000
Bank loan (17)	-	6,678,000	-	9,648	(9,648)	-	6,678,000
Bank loan (18)	-	3,582,000	-	5,354	(5,354)	-	3,582,000
Bank loan (19)	-	3,246,000	-	4,883	(4,883)	-	3,246,000
Bank loan (20)	-	9,905,846	(52,721)	263,999	(263,999)	(4,452)	9,848,673
Bank loan (21)	-	4,195,741	(4,195,741)	90,780	(90,780)	-	-
Bonds issued (5)	-	23,648,329	-	571,103	-	-	24,219,433
Total liabilities	88,918,155	80,630,506	(63,932,122)	7,301,141	(8,194,613)	71,562	104,794,611

On 12 February 2024, the terms of issue for the Group's private bond emission of EUR 10 million were approved (Bonds No. 4 in the table). The nominal value of one bond is EUR 1,000. The bonds mature on 11 February 2025. Interest is paid semi-annually. During 2024, the Group issued bonds with a nominal value of EUR 9.974 million.

On 13 August 2024, the Group's prospectus for a public bond offering of EUR 35 million was approved (Bonds No. 5 in the table). The nominal value of one bond is EUR 1,000. The bonds mature on 5 October 2026. Interest is paid semi-annually. During 2024, the Group issued bonds with a nominal value of EUR 23.774 million.

The table below shows the movement of borrowings and bonds during 2023 and their balance as at 31 December 2023:

	Balance at the beginning of the year	Proceeds	Repayments	Accrued interest	Interest paid	Exchange rate difference	Balance at the end of the year
Current liabilities							
Bonds issued (1)	10,128,063	-	(10,128,063)	670,487	(670,487)	-	-
Bonds issued (2)	-	15,014,322	-	720,886	-	-	15,735,208
Bonds issued (3)	-	9,073,280	-	156,645	-	-	9,229,925
Short-term loan (1)	-	1,000,000	(1,000,000)	16,278	(16,278)	-	-
Short-term loan (3)	-	2,000,000	(2,000,000)	35,667	(35,667)	-	-
Non-current liabilities							
Bank loan (1)	3,447,714	-	(3,435,730)	173,452	(185,436)	-	-
Bank loan (2)	4,156,756	-	(4,140,988)	208,905	(224,673)	-	-
Bank loan (3)	5,010,615	-	(183,333)	267,299	(250,738)	-	4,843,843
Bank loan (4)	3,162,500	-	(165,000)	165,211	(165,211)	-	2,997,500
Bank loan (5)	1,437,500	-	(75,000)	83,527	(83,527)	-	1,362,500
Bank loan (6)	1,188,578	296,201	(74,239)	74,931	(74,931)	-	1,410,540
Bank loan (7)	11,035,027	-	(485,711)	621,152	-	(659,283)	10,511,185
Bank loan (8)	-	5,875,000	-	9,593	-	-	5,884,593
Bank loan (9)	-	4,000,000	-	7,098	-	-	4,007,098
Bank loan (10)	-	4,159,527	(16,885)	121,575	(49,420)	128,314	4,343,111
Bank loan (11)	-	5,909,307	(23,998)	172,795	(70,240)	184,955	6,172,819
Bank loan (12)	-	6,631,072	(26,930)	193,901	(78,820)	207,551	6,926,774
Bank loan (13)	-	2,069,223	(8,403)	60,506	(24,595)	64,764	2,161,495
Bank loan (14)	-	7,218,183	(29,314)	211,068	(85,798)	225,925	7,540,064
Bank loan (15)	-	3,292,312	(3,292,312)	93,786	(93,786)	-	-
Bank loan (16)	-	3,581,923	(3,581,923)	102,036	(102,036)	-	-
Bank loan (17)	-	1,025,247	(1,025,247)	29,205	(29,205)	-	-
Bank loan (18)	-	2,058,029	(2,058,029)	58,627	(58,627)	-	-
Bank loan (19)	-	2,929,416	(2,929,416)	83,449	(83,449)	-	-
Long-term loan (1)	-	5,500,000	-	291,500	-	-	5,791,500
Total liabilities	39,566,753	81,633,042	(34,680,521)	4 629,579	(2,382,924)	152,226	88,918,155

On 23 June 2023, the terms of issue for the Group's private bond emission of EUR 15 million were approved. The nominal value of one bond is EUR 1,000. The bonds maturity date is 7 September 2024. Interest is paid semi-annually. In 2023, bonds with a total nominal value of EUR 15 million were issued.

On 25 October 2023, the terms of issue for the Group's private bond emission of EUR 10 million were approved. The nominal value of one bond is EUR 100. The bonds maturity date is 30 April 2024. Interest is paid upon bond redemption. In 2023, bonds with a total nominal value of EUR 9.07 million were issued.

On 27 October 2023, in accordance with the terms of the issue, the Group redeemed bonds with a nominal value of EUR 10 million that were issued in 2022. Of this amount, EUR 1.58 million was paid out to investors, while EUR 8.42 million was rolled-over by investors into the new bond issue dated October 25, 2023. Additionally, interest amount of EUR 798,550 was paid.

Borrowings by maturity

	31 December 2024	31 December 2023
Within 1 year	10,590,611	27,956,358
Between 1 and 5 years	94,204,000	60,961,797
Total	104,794,611	88,918,155

3.12. Lease liabilities

	31 December 2024	31 December 2023
Non-current lease liabilities	2,674,875	2,333,744
Current lease liabilities	1,502	691
Total	2,676,377	2,334,435

The Group uses leased real estate (land) in its activities. Lease liabilities are recorded at the present value of the remaining land lease payments at a discount rate. The interest rate applied to discount land lease payments under the first contract was 9.98%, the second contract - 9.98%, the third contract - 8.85%.

During 2024, the Group signed one new land lease agreement for the amount of EUR 1,420,818. Interest rate used to discount land lease payment was 7.35%.

During 2023, the Group signed three new land lease agreements for the amount of EUR 1,200,657. Interest rates used to discount land lease payments were 7.90%, 7.05%, and 6.95% respectively. The Group also recalculated lease liability amount for one of the agreements, due to change in lease payment amount.

Interest rate used to discount lease payments is the same as the discount rate used in the valuation reports of investment property prepared by independent appraisers.

The table below shows the movement of lease liabilities during 2024 and 2023:

	Lease liabilities
Balance as at 1 January 2023	937,927
Lease liabilities recognized	1,200,657
Adjustment due to change in lease payments	193,725
Lease payments	(114,404)
Interest accrued	116,819
Exchange rate differences	(289)
Balance as at 31 December 2023	2,334,435
Lease liabilities recognized	333,095
Adjustment due to change in lease payments	(27,141)
Lease payments	(175,732)
Interest accrued	172,987
Exchange rate differences	38,733
Balance as at 31 December 2024	2,676,377

3.13. Contract liabilities

	31 December 2024	31 December 2023
Non-current lease liabilities		
Long-term deposits received from tenants	276,599	81,455
Current lease liabilities		
Short-term deposits received from tenants	95,569	247,894

Deposits received from tenants are deposits for rented premises that would be repaid to tenants upon termination or expiration of the lease or offset against receivables from tenants in case of default. Long-term deposits are deposits to be repaid under leases valid for a period of more than one year. Short-term deposits are deposits to be repaid under leases expiring in the upcoming year.

3.14. Advance amounts received

	31 December 2024	31 December 2023
Advance amounts received	-	2,500,000
Total	-	2,500,000

Advance amounts received consist of an advance payment received on 29 December 2023 under the share subscription agreement. On 5 January 2024, the Company issued shares related to the advance payment.

3.15. Trade and other payables

	31 December 2024	31 December 2023
Trade payables	5,499,175	459,890
Accrued expenses	639,789	606,449
Advance amounts received	42,250	35,958
Real estate tax	31,822	32,124
VAT payable	798	-
Deferred income	-	2,791
Other payables	5,741	1,686
Total	6,219,575	1,138,898

Trade payables mainly consist of a payable amount for acquiring investment property – more than EUR 5 million. Accrued expenses consist of a payable management fee of EUR 160,475 (2023 – EUR 135,288), payable depositary fees of EUR 9,629 (2023 – EUR 8,567), payable audit fee of EUR 206,501 (2023 – EUR 155,261) and other operating expenses.

3.16. Employee benefit obligations

	31 December 2024	31 December 2023
Bonus accruals	26,373	11,775
Vacation reserve	18,441	14,353
Employment-related taxes	14,102	9,622
Wages and salaries	6,878	5,914
Other payables to employees	43	1,034
Total	65,837	42,698

3.17. Income

	2024	2023
Rental income	10,780,731	6,812,255
Maintenance and utilities revenue	1,722,687	1,096,529
Other unordinary income	112,109	78,781
Other rental income	75,399	217,204
Late interests and fines income	38,142	4,320
Total	12,729,068	8,209,089

Income is recognized over time in the period when services are being provided.

3.18. Real estate and land tax expense

	2024	2023
Real estate tax	649,248	372,542
Land tax	9,810	8,330
Total	659,058	380,872

3.19. Maintenance and repair costs of buildings

	2024	2023
Costs of buildings cleaning and waste management	404,413	227,551
Other maintenance costs of buildings	386,639	184,540
Security costs	88,509	70,037
Repair costs of buildings	27,006	105,819
Total	906,567	587,947

3.20. Utilities

	2024	2023
Electricity consumption	167,928	85,400
Heat energy consumption	26,308	41,880
Water and sewerage costs	18,247	18,037
Total	212,483	145,317

3.21. Administrative costs

	2024	2023
Professional services	1,123,598	1,089,842
Management fee	607,478	477,460
Audit fee	252,351	160,702
Asset management fee	245,185	125,353
Insurance	55,501	31,135
Other	128,840	106,751
Total	2,412,953	1,991,243

3.22. Wages and salaries and related expenses

	2024	2023
Wages and salaries	472,872	313,709
Social security contribution costs	30,784	19,723
Car rent	13,056	11,264
Per diem	4,193	3,220
Total	520,905	347,916

3.23. Other costs

	2024	2023
Depository fee	37,152	28,648
Right-of-use assets depreciation	31,943	22,994
Late payment interests and fines costs	9,231	83,615
Costs on acquisition of assets	-	69,701
Other	319,319	288,451
Total	397,645	493,409

3.24. Finance income and costs

	2024	2023
Finance income	1,470,533	2,921,225
Positive effects of exchange rate differences	1,108,999	1,971,172
Gain on changes in fair value of derivative financial instruments	-	657,375
Interest income on derivative financial instruments	361,534	292,678
Finance costs	(8,546,278)	(4,848,091)
Interest expenses	(8,145,382)	(4,746,399)
Interest expenses on borrowings	(4,867,163)	(3,081,562)
Interest expenses on bonds issued	(2,433,978)	(1,548,018)
Interest expenses on lease liabilities (IFRS 16)	(172,987)	(116,819)
Loss on changes in fair value of derivative financial instruments	(671,254)	-
Other finance costs	(400,896)	(101,692)
Loans administration and commitment fees	(400,896)	(101,692)
Total	(7,075,745)	(1,926,866)

The Group pays quarterly loan administration fee on its bank borrowings.

3.25. Income tax

The main components of income tax expense as at 31 December 2024 and 31 December 2023 are presented in the table below:

	2024	2023
Income tax expense	160,379	300,506
Deferred income tax (benefit) expense	1,236,498	626,236
Income tax adjustments for previous periods	(216,448)	(2,638)
Total	1,180,429	924,104

Reconciliation of income tax expense is provided below:

	2024	2023
Profit before tax	4,550,422	4,414,460
Income tax expense at the statutory rate in Lithuania	682,563	662,169
Income tax adjustments from previous periods	(216,448)	(2,638)
Non-taxable income	(700,756)	(2,101,890)
Non-deductible expenses (permanent differences)	403,186	2,119,990
Unrecognized deferred income tax	788,791	111,365
Non-taxable result of the Group	147,709	62,022
Effect of difference in tax rates	(334)	(17,031)
Utilized accumulated tax losses	75,717	90,117
Income tax at an effective corporate income tax rate	1,180,429	924,104
Income tax expense recognized in profit or loss	1,180,429	924,104

In accordance with the Law on Corporate Income Tax of the Republic of Lithuania, the income of companies with the legal status of an investment undertaking and operating under the Law on Collective Investment Undertakings is non-taxable. Accordingly, based on the Law, the costs incurred to generate non-taxable income are treated as non-allowable deductions. Thus, all income of the Company is non-taxable, and all expenses are non-deductible.

The Group's profit from its activities in Poland is subject to 19% income tax rate set in the Polish tax laws. Accordingly, the difference between the tax rate in Lithuania (15%) and the tax rate in Poland (19%) is equal to EUR 334 (2023 – EUR 17,031).

The Group has tax losses of EUR 1,244,481 (2023 – EUR 837,844), of which EUR 841,613 are available for offsetting against future taxable profits of the companies in which the losses arose over indefinite period, and EUR 402,868 – over 5 years. Accumulated tax losses effect on deferred tax is presented in the table below.

Deferred income tax asset	2024	2023
Accumulated tax losses	201,792	133,602
Accrued expenses	588,607	340,419
Difference in value of other liabilities for financial reporting and tax purposes	637,956	685,563
Deferred tax assets before impairment	1,428,355	1,159,584
Less: decrease in realizable value	-	-
Deferred tax assets, net	1,428,355	1,159,584
Deferred income tax liability		
Difference in depreciation of non-current assets for financial reporting and tax purposes	(2,040,060)	(963,285)
Difference in value of other assets for financial reporting and tax purposes	(1,665,517)	(1,178,754)
Deferred income tax liability	(3,705,577)	(2,142,039)
Deferred income tax, net	(2,277,222)	(982,455)

The temporary differences associated with investments in the Group's subsidiaries, for which no deferred tax liability has been recognized in the periods presented, amounted to EUR 3,467,651 (2023 – EUR 3,467,651).

3.26. Transactions with related parties

Management's remuneration and other benefits

	31 December 2024	31 December 2023
Number of management personnel at the end of the year	1	1
Average number of management personnel during the year	1	1
Remuneration paid to management personnel	62,847	42,761

There were no other payments to management personnel.

Transactions with the Group companies

The Company's transactions with related parties during 2024 and their balances as at 31 December 2024:

	Income	Costs	Receivables	Payables
Management Company	-	607,478	-	160,475
Total	-	607,478	-	160,475

The Company's transactions with related parties during 2023 and their balances as at 31 December 2023:

	Income	Costs	Receivables	Payables
Management Company	-	490,841	-	135,288
Total	-	490,841	-	135,288

The costs of services received from UAB Lords LB Asset Management mostly consist of management fee. Payables consist of payable management fee.

Share purchase and sale transactions with related parties

Balance as at 1 January 2023	5,160,000
Shares distributed	500,000
Shares redeemed	-
Balance as at 31 December 2023	5,660,000
Shares distributed	2,500,000
Shares redeemed	-
Balance as at 31 December 2024	8,160,000

As at 31 December 2024, the Company's shares owned by related parties amounted to EUR 8,160,000 and represented 19.49% of the total amount of shares.

As at 31 December 2023, the Company's shares owned by related parties amounted to EUR 5,660,000 and represented 14.88% of the total amount of shares.

3.27. Return on investments and risk indicators of the Company

The change in the value of the Company's shares and the annual gross and net return on investment in the investment portfolio are shown in the table below. The calculations were based on the net assets value calculated by the Company.

	Period			
	Current	1 year ago	2 years ago	10 years ago
Change in share value, EUR	0.0736 €	0.0264 €	0.0306 €	-
Annual gross return on investments, %	2.91%	-0.47%	-3.84%	-
Annual net return on investments, %	1.40%	-1.95%	-5.36%	-
Standard deviation of change in value of the share, EUR	0.0339 €	0.0196 €	0.0190 €	-

The average change in share value over the same period, the change in average net investment return over the last three, five, ten years:

	Over 3 years	Over 5 years	Over 10 years	Since the start of operations
Average change in share value, %	4.58%	-	-	0.93%
Average gross return on investments, %	-2.01%	-	-	-10.08%
Average net return on investments, %	-0.51%	-	-	-8.52%
Standard deviation of change in value of the share, EUR	0.0244 €	-	-	0.0760 €

Maximum and minimum share values:

	Current period		Previous period	
	Date	Value	Date	Value
Minimum value of the share	30/04/2024	0.9359	30/04/2023	0.9229
Maximum value of the share	30/11/2024	1.0462	31/05/2023	0.9751

Annual net return on investment – the investment return calculated taking into account trading and management expenses.

Annual gross return on investment – the investment return calculated taking into account trading expenses.

Standard deviation of change in value of investment unit is a statistical risk indicator that shows the magnitude of fluctuations in the unit's value compared to their average change.

Average change in the value of an accounting (investment) unit is a geometric mean of annual relative changes in the values of the units during a certain period, expressed as annual interest.

Average gross return on investment is a gross return during a certain period, expressed as annual interest.

Average net return on investment is a net return during a certain period, expressed as annual interest.

3.28. Going concern

As at 31 December 2024 the Group's current liabilities (EUR 16,973,094) exceeded current assets (EUR 3,849,417). The major part of current liabilities comprises the Group's public bond emission and accrued interest in amount of EUR 8,309,192 with the maturity date of 11 February 2025. The Group's management plans to redeem bonds by issuing a new tranche, as described below.

On January 19, 2025, the Group distributed EUR 11.226 million worth of public bonds through a third placement. By the end of January, the Company redeemed EUR 7.474 million worth of bonds, along with the accrued interest, under early redemption terms. Therefore, the Company's liquidity must be ensured by additional cash inflows from the new bond issue.

In March 2025, the Group received EUR 6.7 million in financing from a credit institution for the acquisition of investment properties in Jurbarkas and Panevėžys, which was used to settle EUR 5 million of short-term liabilities as at 31 December 2024.

Based on the reasons provided above, the Group's management decided that no material uncertainty existed regarding the Group's ability to continue as going concern, and therefore, these consolidated financial statements were prepared on a going concern basis.

3.29. Subsequent events

On January 19, 2025, the third tranche of the public bond issuance was completed, during which the Group issued bonds with a total nominal value of EUR 11.226 million. Of this amount, EUR 3.893 million were transferred by investors from the previous bond issuance to the new issue. As a result, the Group's proceeds from the third placement amounted to EUR 7.333 million.

At the end of January 2025, the Group executed an early redemption of bonds in accordance with applicable early redemption terms, redeeming a total of 7,474 units of bonds. Of these, 3,581 units of bonds were settled in cash, including accrued interest, amounting to EUR 3,739,803. The remaining portion was offset against the newly issued bonds.

In January 2025, the Group acquired a commercial real estate in Panevėžys for a total amount of approximately EUR 5 million.

In March 2025, the Group received EUR 6.7 million in financing from a credit institution for the acquisition of investment properties in Jurbarkas and Panevėžys.

In March 2025, the Group concluded new interest rate swaps with a credit institution for the amount of EUR 18.020 million to hedge against the risk of fluctuations in loan interest rates.

There were no other significant events at the Company after the end of the reporting period.

These consolidated financial statements have been electronically signed by:

Director of management company
Company manager
Representative of accounting company

*Vilma Tvaronavičienė
Paulius Nevinskas
Tadas Pranckevičius*

SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY AB TEWOX

Consolidated management report

General information

Special closed-end real estate investment company **AB Tewox** (hereinafter referred to as the **Company** or together with its subsidiaries as the **Group**) registered in the Republic of Lithuania on 6 April 2021, registration no. 305733600. The address of the Company is Jogailos g. 4, Vilnius. The data is stored and compiled with the State Enterprise Centre of Registers. On 26 April 2021 the Supervision Service of the Bank of Lithuania approved the Articles of Association of the Company and allowed to choose the depositary. The code given to the Company is F095.

The Company's purpose is to earn a return to shareholders on investments in income-generating real estate objects in the Baltic Sea Region countries – Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland, and Germany.

The period of operation of the Company is 50 years from the day when the Supervision Service of the Bank of Lithuania approves the Articles of Association of the Company, i.e. until 26 April 2071 when the shares will be redeemed by the Company from its shareholders. During the period of the Company's operation, the redemption of shares is restricted.

The management of the Company has been transferred to the management company **UAB Lords LB Asset Management** (hereinafter referred to as the **Management Company**), which was established and registered on 8 September 2008, the company code 301849625, registered office address at Jogailos g. 4, Vilnius, Republic of Lithuania. The Management Company's data is compiled and stored with the Register of Legal Entities of the Republic of Lithuania. Based on the decision of the Lithuanian Securities Commission, dated 23 December 2008, **UAB Lords LB Asset Management** was granted License (no. VJK – 016) to engage in the activities of a management company in accordance with the Lithuanian Law on Collective Investment Undertakings. Based on Decision no. 03-201 of the Board of the Bank of Lithuania, dated 5 December 2013, the asset management company's License no. VJK – 016 was expanded with the right to manage collective investment undertakings, established under the Lithuanian Law on Collective Investment Undertakings Intended for informed Investors. On 23 June 2015 the Management Company was granted License (no. 1) to engage in the activities of a management company under the Lithuanian Law on Managers of Alternative Collective Investment Undertakings.

The depositary of the Company is **AB Swedbank**, company code 112029651, registered office address at Konstitucijos pr. 20A, 03502, Vilnius, Lithuania.

Objective overview of the Group's financial position, performance and development

The net asset value (NAV) of the Group and the number of participants as at 31 December 2024 and 31 December 2023 are given in the table below:

	31 December 2024	31 December 2023
NAV	43,448,280.14	36,676,895.86
Number of participants	39	36

Risks and other uncertainties

The Group is exposed to various risks in its activities. The data on the risks incurred by the Group are presented in the annual consolidated financial statements in sufficient detail and require no additional references or explanations.

Analysis of financial and non-financial performance

Analysis of the Management Company's non-financial performance, information related to issues of environmental protection, including actions on climate change, personnel, anti-corruption and anti-bribery, including bribery of foreign officials when conducting international business transactions

The company is managed by the Management Company (**Lords LB Asset Management**); therefore it is subject to all approved procedures and policies of the Management Company. When making investment decisions, the Management Company considers the areas of sustainability relevant to the specific investment, related to the sustainability, ethical, social and environmental impact of

the investment. Also, the Management Company has approved the Environmental, Social and Sustainable Governance Policy, by which the Management Company undertakes to consider the key aspects of sustainability when making investments, carrying out due diligence on investments, monitoring and evaluating the Company's investments under management, to the extent practicable under the circumstances and in view of the Management Company's commitment to earn the best possible returns for investors and to always act in their best interests.

1. Actions of a responsible business implemented at the Management Company

In its activities, the Management Company applies the Human Resources Management Procedure and the Remuneration Policy, which define that the Management Company organizes its activities in such a way that employees, based on their current job positions and the need to improve their qualifications, are guaranteed equal working conditions, opportunities to develop competence, etc. And also equal opportunities, regardless of employees' gender, race, nationality, language, origin, social status, faith, beliefs or opinions, age, sexual orientation, disability, ethnicity, religion, marital status, membership in a political party or association, etc. In accordance with the Human Resources Management Procedure and other procedures of the Management Company, the Management Company ensures the possibility to report inappropriate working conditions, inappropriate or discriminatory behaviour through confidential channels.

In 2019 the Management Company joined the Principles for Responsible Investment (hereinafter - **PRI**) supported by the United Nations. PRI established in 2006 is a global network of over 1.7 thousand investment managers. PRI seeks to assess the impact of investments on environmental, social and governance factors. A cost-effective, sustainable global financial system is seen as essential to creating long-term value. Investors who support the principles voluntarily seek to apply them in their investment activities. PRI defines six principles of responsible investment. They include possible actions for incorporating environmental, social and business governance factors into investment practices, starting with the analysis of investment opportunities, decision-making processes, and ending with their inclusion in property implementation policies and practices. In addition, it is intended that companies applying these principles promote their implementation in the market and cooperate in order to implement them more effectively.

In addition, since 2015 the Management Company has been committed to complying with the principles of the United Nations Global Compact. The Management Company supports and adheres to the ten principles of the United Nations Global Compact in the areas of human rights, labour rights, environmental protection, and anti-corruption. By supporting the United Nations Global Compact, we aim to contribute to the achievement of the Sustainable Development Goals (SDGs) and align our daily activities and investments with the aforementioned goals.

By implementing PRI's principles of responsible investment and the principles of the United Nations Global Compact, on 22 December 2022 the Management Company updated the Responsible Investment Policy, which sets out the main sustainability implementation measured through which the Management Company seeks to contribute to public welfare, promote sustainable governance and achieve long-term investment goals. The policy applies to all activities of the Management Company, managed collective investment undertakings, functions and employees. The policy is periodically reviewed and updated as necessary.

2. Environmental protection and action on climate change

The Management Company is not committed to achieving climate change goals, but assesses and, if necessary, takes appropriate actions to manage risks related to climate issues. The Management Company is improving its processes and regularly reviews opportunities to address and achieve specific climate change objectives.

The Management Company recognizes the potential impact of its investments on sustainability risks, but currently their assessment is carried out at the financial product level, i.e. collective investment undertakings promoting environmental features or whose goal is sustainable investment, as defined in Articles 8 and 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on the disclosure of information related to sustainability in the financial services sector.

The purpose of the Company is not sustainable investment, as defined in Regulation (EU) 2019/2088 of the European Parliament and Council of 27.11.2019 on the disclosure of information related to sustainability in the financial services sector.

Meanwhile, the Management Company determines the possible main negative impact on sustainability and priorities in the Company's Responsible Investment Policy, Business Organization Policy and through dialogue with the stakeholders, i.e. guided by the principles of responsible investment supported by the United Nations, we can expand our knowledge and ensure that we are aware of the potential and actual impact of our investments on sustainability. In addition, the Management Company is currently helping one of its managed collective investment undertakings to fulfil its obligation in implementing the requirements of the sustainability framework of the European Bank for Reconstruction and Development related to green (sustainable) projects.

3. Anti-corruption and bribery, bribery of foreign officials in international business transactions

In order to reduce the risk of external and internal bribery, the Management Company applies internal procedures that ensure transparency of operations by preventing the possibility of being involved in crimes.

In its activities, The Management Company has adopted a Conflicts of Interest Prevention Policy, which sets out the general standards of conduct to be followed by the Management Company's employees in the course of their activities. This policy serves as a set of professional conduct guidelines that establishes measures for identifying, managing, monitoring, disclosing, and resolving potential conflicts of interest. The Management Company has also approved the Incentives Policy in its activities, the purpose of which is to ensure that the Management Company and its employees, when providing management services of collective investment undertakings, act honestly, fairly and professionally, in the best interests of the collective investment undertakings, avoiding any conflicts of interest, related to the receipt or provision of incentives, since such provision or receipt of incentives may lead to biased behaviour and thereby violate the obligation to act in the best interests of collective investment undertakings.

4. Additional non-financial information, disclosure of information related to sustainability

Since the number of employees of the Management Company does not exceed 500 (as of 31 December 2024, the number of employees of the Management Company was 37 employees), the Management Company is not subject to requirements regarding the non-financial reporting.

Market analysis of shopping centres

Over the recent years, food and grocery retail centres have demonstrated strong performance and notable resilience to economic challenges. Since the onset of the first wave of Covid-19 in March 2020, which led to a substantial disruption in both domestic and international trade, the segment of the real estate market has proven to be both resilient and liquid. During 2022 and 2023, the retail sector experienced significant growth in nominal sales, however, real growth slowed down or turned negative due to elevated inflation levels (based on Eurostat data, in 2022 and 2023 the inflation level in Lithuania, as measured by the Harmonized Index of Consumer Prices (HICP), reached 18.9% and 8.7%, while in the EU27 countries the respective figures were 9.2% and 6.4%). In 2024, declining inflation (0.9% in Lithuania and 2.6% in the EU27 countries, based on Eurostat data) supported stable growth in household consumption, which contributed to increases in both nominal and real retail sales. Occupancy levels in retail shopping centres remain high, and performance closely linked to the consumer purchasing power.

The above trends can also be demonstrated by the year-over-over changes in sales of food, beverage and tobacco presented in the table below.

Annual changes in sales of food, beverages and tobacco*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Lithuania	3.0	2.6	0.6	3.4	1.9	2.4	5.9	-5.9	-4.0	4.1
Latvia	2.8	-1.3	4.0	4.2	1.2	3.5	-3.7	-0.8	-4.9	-1.6
Estonia	2.7	1.1	-2.2	-1.4	3.9	3.6	4.3	-3.0	-4.1	-3.2
Poland	4.8	2.8	4.6	3.9	-0.2	-2.1	-1.0	9.2	-3.9	1.0
Denmark	-0.3	0.3	-1.5	0.0	-0.5	3.5	-0.3	-5.4	-2.2	-3.2
Sweden	1.4	0.9	0.5	1.3	1.0	1.7	1.7	-1.9	-3.6	1.1
Finland	-0.8	0.4	1.8	0.3	0.2	5.4	0.5	-4.9	-1.9	-0.1
Germany	2.2	0.5	2.2	1.6	1.5	5.3	-1.7	-4.9	-3.7	0.7

*The current year is compared against the corresponding period of the previous year. Adjusted for inflation indicators.

Source: Eurostat

Analysis of the financial and non-financial performance of subsidiaries controlled by the Group

As at 31 December 2024 the Company controlled the following subsidiaries:

Subsidiary	Country	Acquisition date	Ownership interest	Number of shares	Nominal value, EUR
UAB Janonio 27	LT	18/06/2021	100%	1,226,500	1.00
UAB Investicija 21	LT	26/08/2021	100%	1,356,000	1.00
SIA Gronvest	LV	25/10/2021	100%	2,800	1.00
UAB SMI Alytus	LT	27/10/2021	100%	18,500	2.90
UAB BFIII Kaunas	LT	23/11/2021	100%	3,955	144.81
UAB Kuršėnų turtas	LT	31/01/2022	100%	1,108,000	1.00
Peppercon 8 Sp. z o.o.	PL	01/02/2022	100%	100	11.72
Reninvest Holding OU	EE	31/08/2022	100%	1	10,000.00
UAB Esulda	LT	20/10/2022	100%	2,500	1.00
KA Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
PR Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
SW Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
PU Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
GL Park Sp. z o.o.	PL	24/11/2022	100%	100	11.72
UAB MD Europa	LT	13/12/2022	100%	100,000	0.29
UAB Lairina	LT	18/05/2023	100%	2,500	1.00
Valcutel Investments sp. z o.o.	PL	22/08/2023	100%	100	11.72
Dotilleby Investments sp. z o.o.	PL	22/08/2023	100%	100	11.72
Baixeredost Investments sp. z o.o.	PL	26/09/2023	100%	100	11.72
UAB JUPA Turtas	LT	22/10/2024	100%	1,000	1.00

As at 31 December 2023 the Company controlled the following subsidiaries:

Subsidiary	Country	Acquisition date	Ownership interest	Number of shares	Nominal value, EUR
UAB Janonio 27	LT	18/06/2021	100%	1,226,500	1.00
UAB Prekybos centrų plėtros investicijos	LT	26/08/2021	100%	1,356,000	1.00
SIA Gronvest	LV	25/10/2021	100%	2,800	1.00
UAB SMI Alytus	LT	27/10/2021	100%	18,500	2.90
UAB BFIII Kaunas	LT	23/11/2021	100%	3,955	144.81
UAB Kuršėnų turtas	LT	31/01/2022	100%	1,108,000	1.00
Peppercon 8 Sp. z o.o.	PL	01/02/2022	100%	100	11.52
Reninvest Holding OU	EE	31/08/2022	100%	1	10,000.00
UAB Esulda	LT	20/10/2022	100%	2,500	1.00
KA Park Sp. z o.o.	PL	24/11/2022	100%	100	11.70
PR Park Sp. z o.o.	PL	24/11/2022	100%	100	11.70
SW Park Sp. z o.o.	PL	24/11/2022	100%	100	11.70
PU Park Sp. z o.o.	PL	24/11/2022	100%	100	11.70
GL Park Sp. z o.o.	PL	24/11/2022	100%	100	11.70
UAB MD Europa	LT	13/12/2022	100%	100,000	0.29
UAB Lairina	LT	18/05/2023	100%	2,500	1.00
Valcutel Investments sp. z o.o.	PL	22/08/2023	100%	100	11.70
Dotilleby Investments sp. z o.o.	PL	22/08/2023	100%	100	11.70
Baixeredost Investments sp. z o.o.	PL	26/09/2023	100%	100	11.70

The Group's main activity is the development and management of real estate. The Group generates revenue from real estate objects located in Lithuania in Poland, with the exception of the planned investment through subsidiaries SIA Gronvest and Reninvest Holding OU which will operate in Latvia and Estonia respectively.

The financial data and additional disclosures in the annual consolidated financial statements of these subsidiaries are in sufficiently detail and require no additional references or explanations.

The number of all own shares acquired and held by the Group, their nominal value and the share of the authorized share capital they represent

The paid-up share capital of the Group as at 31 December 2024 amounted to EUR 41,863,344 (as at 31 December 2023 – EUR 38,036,364). The Group's share capital is divided into 41,863,344 ordinary intangible shares with a nominal value of EUR 1 per share. As at 31 December 2024, share premium amounted to EUR 636 (as at 31 December 2023 – EUR 636). The Group has no own shares.

Information on significant events after the end of the financial year

On January 19, 2025, the third tranche of the public bond issuance was completed, during which the Group issued bonds with a total nominal value of EUR 11.226 million. Of this amount, EUR 3.893 million were transferred by investors from the previous bond issuance to the new issue. As a result, the Group's proceeds from the third placement amounted to EUR 7.333 million.

At the end of January 2025, the Group executed an early redemption of bonds in accordance with applicable early redemption terms, redeeming a total of 7,474 units of bonds. Of these, 3,581 units of bonds were settled in cash, including accrued interest, amounting to EUR 3,739,803. The remaining portion was offset against the newly issued bonds.

In January 2025, the Group acquired a commercial real estate in Panevėžys for a total amount of approximately EUR 5 million.

In March 2025, the Group received EUR 6.7 million in financing from a credit institution for the acquisition of investment properties in Jurbarkas and Panevėžys.

In March 2025, the Group concluded new interest rate swaps with a credit institution for the amount of EUR 18.020 million to hedge against the risk of fluctuations in loan interest rates.

There were no other significant events at the Company after the end of the reporting period.

The Group's business plans and forecasts

The Group's goal is to accumulate the funds of the shareholders by distributing the shares in accordance with the procedure laid down in the Articles of Association and by dividing the risk of collectively investing them in the assets specified in the Articles of Association, in accordance with the Group's investment strategy and in compliance with the investment requirements established by legal acts. In order to achieve this goal, the Group carries out investment and reinvestment activities.

Plans and strategy

The Group plans to:

- invest in the projects of food supermarkets and commercial parks in the Baltic Sea Region;
- diversify its portfolio both geographically and through the acquisition of assets operated by different food operators;
- build a portfolio that generates stable and predictable cash flow in the market. Such cash flow over time is expected to increase as a result of indexation of rental prices.
- actively explore opportunities to acquire assets that would be located in densely populated areas and close to the major transport corridors.

Information about the Group's research and development activities

No such activities are carried out.

Information on the objectives of financial risk management, use of the hedging instruments qualifying for hedging accounting and the Group's exposure to price risk, credit risk, liquidity risk and cash flow risk when the Group uses financial instruments and where this is relevant for the valuation of the Group's assets, equity, liabilities, income and expenses

This information is disclosed in Note 2.5 of the consolidated financial statements.

Information about other executive positions held elsewhere by the head of a public limited liability company and a private limited liability company, members of the board, members of the supervisory board

The Group has no Board. Management has been transferred to the Management Company.

Board of the Management Company: As at 31 December 2024 the Board consisted of 4 members:

Jan Ake Gustaf Litborn;
Mindaugas Marcinkevičius;
Andrius Stonkus;
Antanas Vainauskas.

Data on the participation of the Board members in activities and capital of other companies, bodies and organizations:

No.	Member of the Board	Name of company, body or organization	Position held	Ownership interest and votes held
1.	Antanas Vainauskas	UAB Serenus	Shareholder	100%
		UAB INVESTI LT	CEO	50% of shares are owned by UAB Serenus
		Law firm Vainauskas and partners	Lawyer	100%
		UAB LL Investicijos	Member of the Board	0%
		UAB TAN Oil	Member of the Board	0%
		UAB Diseta	Member of the Board	0%
		UAB Emont	CEO	100% of shares are owned by UAB Serenus
2.	Mindaugas Marcinkevičius	UAB Glera	Shareholder, CEO	100%
		UAB Taikos projektas	Shareholder, CEO	100%
		UAB Biruliškių projektas	Shareholder	100%
		OÜ Attexo	Shareholder, Member of the Board	100%
		UAB Ordeta	Member of the Board	0%
		AS PN Project	Member of the Supervisory Council	0%
3.	Andrius Stonkus	UAB Aemulus	Shareholder	100%
		Starlynx investment OU	Member of the Board	100%
		UAB Konversijos projektai	Indirect shareholder (through UAB Aemulus)	100%
		UAB Parkdema	Member of the Board	0%
		UAB Cogito Invest	CEO, Member of the Board	0%
		UAB Humitas	Indirect shareholder (through Starlynx investment OÜ)	50%
		AB Sparta	Member of the Supervisory Council	0%
		AS PN Project	Member of the Supervisory Council	0%
		AB CRANBALT	Member of the Supervisory Council	0%
		Law firm Born Advokater AB	Managing Partner	36%
4.	Jan Ake Gustaf Litborn	Born Advokater KB	Managing partner (through Born Advokater AB)	0%
		Varakani AB	Shareholder	100%
		Donap Advokat AB	Shareholder	100%
		Atlant Ocean Racing AB	Shareholder	19%
		Backastad AB	Shareholder	15%

Information on the remuneration of the members of the Group's management and supervisory bodies

The management of the Group's parent company has been assigned to the Management Company, which performs the functions of the Company's board and executive. A management fee is paid to the Management Company for these services. The Group does not have its own approved remuneration policy. To the extent appropriate and relevant based on the Company's structure, the Company adheres to the compensation policy approved by the Management Company's board, and the remuneration of the Group's management is determined by the Management Company. Information on the amounts of the management fee and the salary paid to the management is disclosed in Note 3.26 of the consolidated financial statements. The Group has not established any collegial bodies that perform supervisory functions. The Group does not have a separate website and does not publish this information.

This consolidated management report has been signed electronically by the
Manager of special closed-end real estate investment company AB Tewox

Paulius Nevinskas

Corporate governance reporting

Special closed-end real estate investment company AB Tewox (hereinafter – the **Company**), acting in compliance with Article 12 (3) of the Law of the Republic of Lithuania on Securities and paragraph 24.5 of the Listing Rules of AB Nasdaq Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on Nasdaq Vilnius as well as its specific provisions or recommendations. In case of non-compliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with must be indicated and the reasons for such non-compliance must be specified. In addition, other explanatory information indicated in this form must be provided.

1. Free-form summary of corporate governance report:

The Company is a collective investment undertaking, the form of activity of which is a special closed- ended real estate investment company. The management bodies of the Company are not formed. The management of the Company is assigned to the management company UAB Lords LB Asset Management (hereinafter – the **Management Company**) under the agreement on the management of the Company concluded between the Company and the Management Company, therefore, in accordance with the Law of the Republic of Lithuania on Collective Investment Undertakings (hereinafter – **LCIU**) and on Lithuanian Corporate Law (hereinafter – **LCL**), the rights and obligations of the management bodies of the Company are transferred to the Management Company.

In compliance with the Company's Articles of Association, the documentation of the Management Company, and the relevant legislation of the Republic of Lithuania, the Company's management body has specific rights, duties, functions, and competencies. The Management Company is responsible for organizing and conducting the Company's General Meeting of Shareholders, managing the Company's operations, maintaining accurate records of the Company's activities, and carrying out other responsibilities assigned to it. As per the Articles of Association, the Company's Manager makes investment decisions for managing the Company's assets, while certain decision may also be made by the Board members of the Management Company.

The General Meeting of Shareholders of the Company operates under the same competence, convening, and decision-making procedures as specified in the LCL, unless otherwise stated in the Company's Articles of Association. Furthermore, the General Meeting of Shareholders is authorized to decide on matters such as the replacement of the Management Company and the transfer of its functions to another entity, the content and conclusion of agreements with the Management Company, the extension of the Company's activities, and the delegation of powers to the Management Company, in addition to the competencies outlined in the LCL. The General Meeting of Shareholders does not have the right to make decisions that, according to Company's Articles of Association, fall within the competence of the Management Company or to make decisions on matters that, under the law or other documents of the Company and/or the Management Company, are the responsibility of the management bodies.

2. Structured table:

Principle 1: General meeting of shareholders, equitable treatment of shareholders, and shareholders' right

The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
1.1. All shareholders should have equal access to the information and/or documents provided for in the legislation and should be able to participate in decisions of importance to the Company.	YES	The Shares of the Company are not listed for trading on the NASDAQ Stock Exchange. The Company has issued bonds on NASDAQ Stock Exchange under ISIN LT0000409567. Shareholders are notified about upcoming shareholder meetings via individual emails, and the information is provided in both Lithuanian and English. All shareholders possess equal rights to participate in the Company's shareholder meeting.
1.2. It is recommended that the capital of the Company should consist only of shares that give the holders of such shares equal voting, ownership, dividend and other rights.	YES	The Company's share capital consist of ordinary shares with equal nominal values, wich are not divided into different types and/or classes, thus granting equal rights to all Company shareholders.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
1.3. It is recommended that investors should be given the opportunity to familiarize themselves with the rights attached to new or existing shares in advance, i.e. before purchasing them.	YES	The Management Company and the delegated company are responsible for attracting potential investors to the Company and conducting the placement of shares. The shares are distributed through non-public offering, in compliance with the regulations governing the placement of shares, the Company's Articles of Association, and the prospectus. In all cases, the Company's prospectus, Articles of Association, a copy of the key information document, and a copy of Company's annual activity report are provided before the conclusion of Investment agreement.
1.4. Exclusive transactions that are particularly important to the Company, such as transfer of all or almost all assets of the Company which in principle would mean the transfer of the Company, should be subject to approval of the general meeting of shareholders.	NOT APPLICABLE	The responsibility for the acquisition, disposal, management, and restriction of management of the Company's assets, as well as those of other special purpose vehicles controlled by the Company (further – SPVs), and decisions related to the acquisition and financing of the Company's and the SPVs' activities and assets, and the exercise of the Company's rights as a shareholder of other companies, are set out in the Company's Articles of Association and the prospectus as the responsibility of the Management Company.
1.5. Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the Company should specify the last day on which the proposed draft decisions should be submitted at the latest.	YES	Shareholders are notified of the upcoming general meeting of shareholders in accordance with the requirements, deadlines, methods, and ways specified in the applicable laws of the Republic of Lithuania and the Company's Articles of Association. The annual general meeting is always held at the registered office of the Company.
1.6. With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the Company. Such documents may be published to the extent that their public disclosure is not detrimental to the Company or the Company's commercial secrets are not revealed.	YES	The shares of the Company are not listed on the NASDAQ Stock Exchange. Notifications regarding the General Meetings of Shareholders are sent to the shareholders via email in both Lithuanian and English languages, outlining the procedures for accessing the agenda, related matters, and other necessary documentation.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
1.7. Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	YES	The Company's Articles of Association provide the right to participate in the general shareholders' meeting: a) personally to the shareholder; b) to authorize individuals with whom a voting rights agreement has been concluded to participate; c) granting authorization to the Management Company to represent the shareholder and vote on their behalf.
1.8. With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured, and it must be possible to identify the participating and voting person.	NO	The Company currently does not provide shareholders with the possibility to participate in meetings electronically. Shareholders may exercise their rights in the ways described in section 1.7. of this report.
1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	NOT APPLICABLE	The Company does not form collegial bodies, and its management is assigned to the Management Company and the Board members of the Management Company.
1.10. Members of the Company's collegial management body, heads of the administration ¹ or other competent persons related to the Company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	YES	Representatives of the Management Company, the Company's manager, always participate in the Company's shareholders' meetings.

2 principles: Supervisory board

2.1. Functions and liability of the supervisory board

The supervisory board of the Company should ensure representation of the interests of the Company and its shareholders, accountability of this body to the shareholders and objective monitoring of the Company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the Company.

The supervisory board should ensure the integrity and transparency of the Company's financial accounting and control system.

¹ For the purposes of this Code, heads of the administration are the employees of the company who hold top level management positions.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the Company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	NOT APPLICABLE	Neither the Company, nor the Management Company has a supervisory board.
2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the Company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the Company's strategy, risk management and control, and resolution of conflicts of interest.		
2.1.3. The supervisory board should be impartial in passing decisions that are significant for the Company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.		
2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the Company. Independent ² members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.		
2.1.5. The supervisory board should oversee that the Company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the Company and its shareholders, which may give rise to reputational, legal or other risks.		
2.1.6. The Company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.		

2.2. Formation of the supervisory board

The procedures for forming the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance of the Company.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
2.2.1. The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.	NOT APPLICABLE	Neither the Company, nor the Management Company has a supervisory board.

² For the purposes of this Code, the criteria of independence of members of the supervisory board are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
2.2.2. Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.	NOT APPLICABLE	Neither the Company, nor the Management Company has a supervisory board.
2.2.3. Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the Company should not be immediately appointed as chair of the supervisory board either. Where the Company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.		
2.2.4. Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the Company, the shareholders of the Company should be notified thereof.		
2.2.5. When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.		
2.2.6. The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.		
2.2.7. Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.		

Principle 3: Management Board

3.1. Functions and liability of the management board

The management board should ensure the implementation of the Company's strategy and good corporate governance with due regard to the interests of its shareholders, employees, and other interest groups.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
3.1.1. The management board should ensure the implementation of the Company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.	NOT APPLICABLE	Due to the status of the Company, collegial bodies are not formed within the Company. Management has been assigned to the Management Company, which fulfils the functions of the Company's Board Members and Manager. The Company's investment strategy is outlined in the Company's Articles of Association . The Management Company is responsible for the implementation of the strategy.
3.1.2. As a collegial management body of the Company, the management board performs the functions assigned to it by the Law and in the articles of association of the Company, and in such cases where the supervisory board is not formed in the company, it performs inter alia the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the Company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	NOT APPLICABLE	The Management Company is responsible for organising the Company's shareholders' meetings, managing Company's insider information, organising the Company's operations, keeping proper information on the Company's activities, and carrying out other functions assigned to the Management Company.
3.1.3. The management board should ensure compliance with the laws and the internal policy of the Company applicable to the Company or a group of companies to which this Company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	NOT APPLICABLE	The Management Company and its employees are responsible for ensuring compliance with legal and internal policies of the Company.
3.1.4. Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance ³ on Internal Controls, Ethics and Compliance are applied at the Company in order to ensure adherence to the applicable laws, rules and standards.	NOT APPLICABLE	Management has been assigned to the Management Company, which fulfils the functions of the Company's Board Members and Manager. The Management Company has approved compliance, risk management policies and policy governing the organization of operations.
3.1.5. When appointing the manager of the Company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	NOT APPLICABLE	Management has been assigned to the Management Company, which fulfils the functions of the Company's Board Members and Manager. The Management Company's Board makes the decision on appointing the Company's authorized representative – the Company's manager – by assessing their experience, knowledge, competencies and reputation, and submits a notification of such appointment to the Bank of Lithuania.

³ Link to the OECD Good Practice Guidance on Internal Control, Ethics and Compliance: <https://www.oecd.org/daf/anti-bribery/44884389.pdf>

3.2. Formation of the management board

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	NOT APPLICABLE	Due to the status of the Company, collegial bodies are not formed within the Company. Management has been assigned to the Management Company, which fulfils the functions of the Company's board members and manager.
3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the Company's annual report.	NOT APPLICABLE	Due to the status of the Company, collegial bodies are not formed within the Company. Information on the involvement of the Management Company's Board members and the Company's executives in the activities of other companies is presented in the Company's management report.
3.2.3. All new members of the management board should be familiarized with their duties and the structure and operations of the Company.	NOT APPLICABLE	Due to the status of the Company, collegial bodies are not formed within the Company. Management has been assigned to the Management Company.
3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.		
3.2.5. Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the Company should not be immediately appointed as chair of the management board. When a Company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.		
3.2.6. Each member the management board should give sufficient time and attention to perform the duties of a member of the Board. If a member of the management Board participated in less than half of the board meetings during the financial year of the Company, the Company's Supervisory Board should be informed if the Supervisory Board is not formed in the Company – the General Shareholder Meeting.		

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the Company, and some of its members will be independent ⁴ , it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	NOT APPLICABLE	Due to the status of the Company, no independence assessment is carried out for the Management Company's managers.
3.2.8. The general meeting of shareholders of the Company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	NOT APPLICABLE	The management fee paid to the Management Company is disclosed in the Company's annual report in accordance with the current management agreement between the Company and the Management Company. The employees of the Management Company and the Company's Manager receive remuneration according to the employment contracts they have signed.
3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the Company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the Company's operations in violation of the Company's interests.	NOT APPLICABLE	The obligation of the Management Company to act in a professional and trustworthy manner is defined in the Company's Articles of Association and internal policies.
3.2.10. Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	NOT APPLICABLE	Due to the status of the Company, collegial bodies are not formed within the Company. The functions of management and the board have been delegated to the Management Company; therefore, an evaluation of the Management Company's performance regarding the Company is not conducted.

Principle 4: Rules of procedure of the supervisory board and the management board of the Company

The rules of procedure of the supervisory board, if it is formed at the Company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the Company's management bodies.

⁴ For the purposes of this Code, the criteria of independence of the members of the management board are interpreted as the criteria of unrelated persons defined in Article 33(7) of the Law on Companies of the Republic of Lithuania.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
4.1. The management board and the supervisory board, if the latter is formed at the Company, should act in close cooperation in order to attain benefit for the Company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the Company that are related to planning, business development, risk management and control, and compliance with the obligations at the Company. The management board should inform the supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	NOT APPLICABLE	Due to the status of the Company, collegial bodies are not formed within the Company. Management has been assigned to the Management Company.
4.2. It is recommended that meetings of the Company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterrupted resolution of essential corporate governance issues would be ensured. Meetings of the Company's collegial bodies should be convened at least once per quarter.		
4.3. Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the Company require immediate resolution.		
4.4. In order to coordinate the activities of the Company's collegial bodies and ensure effective decision-making process, the chairs of the Company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the Company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.		

Principle 5: Nomination, remuneration and audit committees

5.1. Purpose and formation of committees

The committees formed at the Company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.

Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
<p>5.1.1. Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the Company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committee⁵</p> <p>5.1.2. Companies may decide to set up less than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.</p>	YES	The decision regarding the formation of an independent audit committee and the approval of its regulations is made during the ordinary general shareholders' meeting. Due to the nature of the Company's governance and the delegation, appointment, and remuneration of management, nomination, and compensation committees are not formed.
<p>5.1.3. In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.</p> <p>5.1.4. Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.</p> <p>5.1.5. The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the Company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.</p>	NOT APPLICABLE	Due to the nature of the Company's operations, collegial bodies are not formed. Its management is delegated to the Management Company, which performs the functions of the Company's board and executive. In light of this, an independent audit committee is formed by the decision of the general shareholders' meeting. Due to the governance structure and delegation of management, nomination, and compensation committees are not formed.

⁵Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
5.1.6. With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the Company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.	NOT APPLICABLE	Due to the nature of the Company's operations, collegial bodies are not formed. Its management is delegated to the Management Company, which performs the functions of the Company's board and executive. In light of this, an independent audit committee is formed by the decision of the general shareholders' meeting. Due to the governance structure and delegation of management, nomination, and compensation committees are not formed.

5.2. Nomination committee

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
<p>5.2.1. The key functions of the nomination committee should be the following:</p> <p>1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected;</p> <p>2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought;</p> <p>3) devote the attention necessary to ensure succession planning.</p> <p>5.2.2. When dealing with issues related to members of the collegial body who have employment relationships with the Company and the heads of the administration, the manager of the Company should be consulted by granting him/her the right to submit proposals to the Nomination Committee.</p>	NOT APPLICABLE	Due to the specifics of the Company's management and the delegation, Nomination committee is not formed.

5.3. Remuneration committee

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
<p>The main functions of the remuneration committee should be as follows:</p> <p>1) submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the Company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so;</p> <p>2) submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the Company's remuneration policy and the evaluation of the performance of the persons concerned;</p> <p>3) review, on a regular basis, the remuneration policy and its implementation.</p>	NOT APPLICABLE	Due to the specifics of the Company's management and the delegation, Remuneration committee is not formed.

5.4. Audit committee

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
<p>5.4.1. The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee.</p> <p>5.4.2. All members of the committee should be provided with detailed information on specific issues of the Company's accounting system, finances and operations. The heads of the Company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.</p> <p>5.4.3. The audit committee should decide whether the participation of the chair of the management board, the manager of the Company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.</p> <p>5.4.4. The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the Company and its Group.</p>	NOT APPLICABLE	Audit committee has not yet been established within the Company. The decision on the formation of an independent audit committee and the approval of its regulations is made during the annual general meeting of shareholders. The audit committee will be established at the upcoming annual general meeting of the shareholders.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
5.4.5. The audit committee should examine whether the Company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the Company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	NOT APPLICABLE	Audit committee has not yet been established within the Company. The decision on the formation of an independent audit committee and the approval of its regulations is made during the annual general meeting of shareholders. The audit committee will be established at the upcoming annual general meeting of the shareholders
5.4.6. The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and semi-annual reports are approved.		

Principle 6: Prevention and disclosure of conflicts of interest

The corporate governance framework should encourage members of the Company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
6.1 Any member of the Company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the Company's interests. In case such a situation did occur, a member of the Company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the Company which elected him/her or the Company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	YES	The management of the Company is assigned to the Management Company, which performs the functions of the Company's board and manager. In accordance with the Management Company's approved Conflict of Interest Avoidance Policy, the Management Company must have an organizational structure that avoids conflicts of interest. When it is impossible to avoid conflicts of interest, the Management Company must ensure fair treatment of the Company's shareholders.

Principle 7: Remuneration policy of the Company

The remuneration policy and the procedure for review and disclosure of such policy established at the Company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the Company's remuneration policy and its long-term strategy.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
7.1. The Company should approve and post the remuneration policy on the website of the Company; such policy should be reviewed on a regular basis and be consistent with the Company's long-term strategy.	YES	To the extent appropriate and relevant based on the Company's structure, the Company adheres to the compensation policy approved by the Management Company's board.
7.2. The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the Company can recover the disbursed amounts or suspend the payments.	YES	The Management Company's remuneration policy includes all types of compensation that can be provided, including fixed compensation and variable compensation (based on the Company's performance and/or that of the employee).

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the Company's performance.	NOT APPLICABLE	Due to the status of the Company, collegial bodies are not formed within the Company. Management has been assigned to the Management Company.
7.4. The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	NOT APPLICABLE	The Company applies the Remuneration Policy of the Management Company, which does not include a severance pay policy.
7.5. In the event that the financial incentive scheme is applied at the Company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	NOT APPLICABLE	The Company applies the Remuneration Policy of the Management Company, which does not include a financial incentive scheme. However, the policy provides for the possibility of awarding variable remuneration in the form of financial instruments.
7.6. The Company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the Company's remuneration policy, compared to the previous financial year.	NOT APPLICABLE	The Management Company Remuneration Policy applies to the Company, when it is relevant. The Management Company's Remuneration Policy is published on the Management Company's website.
7.7. It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.	NOT APPLICABLE	The Management Company Remuneration Policy applies to the Company, when it is relevant. The Management Company's Remuneration Policy is published on the Management Company's website.

Principle 8: Role of stakeholders in corporate governance

The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the Company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the Company concerned.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	YES	Individuals representing the Company act in a manner that safeguards the rights and legitimate interests of stakeholders, without causing harm to their rights and interests.
8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the Company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the Company's authorized capital, involvement of creditors in corporate governance in the cases of the Company's insolvency, etc.	NOT APPLICABLE	The Company has no employees. The Company provides opportunities for its investors (shareholders) to participate in the management of the Company, in accordance with the procedures specified in the Company's Articles of Association and legal acts.
8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	YES	The Company's shareholders receive information that is mandated by applicable laws and regulations, as well as any other relevant information deemed appropriate by the Management Company.
8.4. Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	YES	The Management Company ensures that confidential reporting of any illegal or unethical practices is made possible. On the Management Company's website, stakeholders can report various infractions, including but not limited to breaches of personal data protection, violations of laws and other regulations governing the Management Company's policies, procedures, or instructions, which may harm the Management Company's reputation, employee, client, third-party health/safety, or public interests. The confidentiality of individuals submitting reports is ensured in all cases, in accordance with applicable laws

Principle 9: Disclosure of information

The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the Company.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
9.1. In accordance with the Company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the Company should include but not be limited to the following:	YES	The information mentioned below is disclosed in notifications of important events made available via the disclosure platform of the Nasdaq Vilnius Stock Exchange, on the Company's website, and in the Company's annual and interim financial statements, to the extent necessary as per the applicable legal requirements and the International Financial Reporting Standards that are in force in the European Union.
9.1.1. operating and financial results of the Company;;	YES	The Company publishes interim and annual reports.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
9.1.2. objectives and non-financial information of the Company;	YES	The Company publishes semi-annual and annual management reports, the information is published as described above.
9.1.3. persons holding a stake in the Company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	YES	Information about the Company's investors (shareholders) is not publicly disclosed. This information is provided in the Company's prospectus, financial statements and management report, to the extent the Company deems necessary.
9.1.4. members of the Company's supervisory and management bodies who are deemed independent, the manager of the Company, the shares or votes held by them at the Company, participation in corporate governance of other companies, their competence and remuneration;	YES	Collegial bodies are not formed within the Company. Management has been assigned to the Management Company. Information about the Management's Company's Board and the Company's manager is disclosed in semi-annual and annual management reports.
9.1.5. reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	NOT APPLICABLE	Due to the status of the Company, the Company has no employees. Management has been delegated to the Management Company.
9.1.6. potential key risk factors, the Company's risk management and supervision policy;	YES	Financial reports include information about key risks and their management and oversight.
9.1.7. the Company's transactions with related parties;	YES	Information on the Company's transactions with related parties and the Management Company is disclosed in the financial statements.
9.1.8. main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the Company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	YES	Due to the status of the Company, the Company has no employees. Management has been delegated to the Management Company.
9.1.9. structure and strategy of corporate governance;	YES	The Company's strategy is stated in its Articles of Association, which are published on the Management Company's website.
9.1.10. initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects. This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts..	YES	The Company's Environmental and Social Policy, and other approved procedures or policies set forth the main initiatives, principles, and measures related to corporate social responsibility, anti-corruption efforts, and initiatives. Significant ongoing or planned investment projects are disclosed in the financial reports.
9.2. When disclosing the information specified in paragraph 9.1.1. of recommendation 9.1., it is recommended that the Company which is a parent Company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	YES	The Company prepares semi-annual and annual consolidated financial statements

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
9.3. When disclosing the information specified in paragraph 9.1.4. of recommendation 9.1., it is recommended that the information on the professional experience and qualifications of members of the Company's supervisory and management bodies and the manager of the Company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the Company's supervisory and management bodies and the manager of the Company should be disclosed, as provided for in greater detail in Principle 7.	YES	Collegial bodies are not formed within the Company. Management has been assigned to the Management Company. Information about the Management's Company's Board and the Company's manager is disclosed in semi-annual and annual management reports.
9.4. Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	YES	The Company publishes the Company's information on the Nasdaq Vilnius regulated announcement distribution system and on its website.

Principle 10: Selection of the Company's audit firm

The Company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.

PRINCIPLES / RECOMMENDATIONS	YES / NO / NOT APPLICABLE	COMMENTS
10.1. With a view to obtain an objective opinion on the Company's financial condition and financial results, the Company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.	YES	The Company is audited by an independent audit company PricewaterhouseCoopers, UAB.
10.2. It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the Company, by the management board of the Company.	YES	The Management Company presents the candidate of the audit firm for consideration to the general meeting of shareholders.
10.3. In the event that the audit firm has received remuneration from the Company for the non-audit services provided, the Company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the Company, by the management board of the Company when considering which audit firm should be proposed to the general meeting of shareholders.	NOT APPLICABLE	In 2024, the audit firm provided only audit services to the Company.



Independent auditor's report

To the shareholders of special closed-end real estate investment company AB Tewox

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of special closed-end real estate investment company AB Tewox (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2024, and of the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the those charged with governance dated 28 April 2025.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services that are relevant to our audit of the consolidated financial statements in the Republic of Lithuania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Group are in accordance with the applicable law and regulations in the Republic of Lithuania and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014 considering the exemptions of Regulation (EU) No 537/2014 endorsed in the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services.

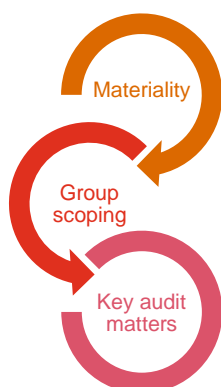
PricewaterhouseCoopers UAB, J. Jasinskio str. 16B, 03163 Vilnius, Lithuania
+370 (5) 239 2300, lt_vilnius@pwc.com, www.pwc.lt



We have not provided non-audit services to the Group in the period from 1 January 2024 to 31 December 2024.

Our audit approach

Overview



- Overall Group materiality: EUR 1,250 thousand
- The full scope audit was performed for the Company. The Group engagement team performed audit work on the selected balances and transactions of subsidiaries, which were assessed as material from the Group audit perspective.
- Our audit scope covered all of the Group's revenues and 99 % of the Group's total assets.
- Measurement of investment properties

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall materiality	EUR 1,250 thousand
How we determined it	Overall Group's materiality was determined as 0.75% of consolidated total assets
Rationale for the materiality benchmark applied	Total assets show the full scale of the Group's investment portfolio, including real estate generating rental income. This aligns with the primary function of the Group, which is to acquire and manage real estate to generate returns for investors.

We chose to apply 0.75% of total assets for overall Group materiality, which is within the range of acceptable quantitative materiality thresholds for this benchmark.

We agreed with the those charged with governance that we would report to them misstatements identified during our audit above EUR 62.5 thousand, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Measurement of investment properties</p> <p><i>Refer to Note 3.3 to the consolidated financial statements.</i></p> <p>The Group's investment property represents the most significant category of the Group's assets. Investment properties are measured at fair value. Management estimated the fair value of the Group's investment properties to be EUR 158,348 thousand at 31 December 2024, as compared to EUR 127,608 thousand at 31 December 2023.</p> <p>Revaluation net gain of EUR 4,007 thousand (2023: EUR 2,079 thousand) was recorded as revaluation gain from investment property in the consolidated statement of profit or loss and other comprehensive income.</p> <p>The fair value of investment property in use was determined by independent external valuer, based on the income approach applying the discounted cash flow ("DCF") method.</p> <p>The valuations of investment property under development (which primarily consist of land plots) were made using the comparative method based on comparable completed market transactions.</p> <p>Due to the significant degree of judgments in respect of the fair value of investment property, we considered this area to be associated with an elevated risk of a material misstatement and a key audit matter.</p>	<p>Our procedures in relation to management's measurement of investment property covered the following:</p> <ul style="list-style-type: none"> • we obtained understanding of the internal processes and controls and reviewed methodology used by management in determining the investment property fair value; • we evaluated the Company's independent external valuer competence, capabilities and objectivity; • we engaged our own valuation specialists, who have experience and understanding of the relevant markets, to assess the reasonability of valuation of investment property. This included evaluating the assumptions made by external valuer in determining the discount rate and the capitalisation rate for terminal value; • we assessed the reasonability of the data inputs used by the Company's external valuer by testing underlying data including rental income, capital expenditure; • we assessed the mathematical accuracy of the valuation model; • we assessed the sensitivity analysis of the fair value of investment property to changes in key assumptions; • we tested the investment property additions with supporting documents; • we evaluated the appropriateness and completeness of the financial statements disclosures.



How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of 21 entities: the Company and its subsidiaries: nine subsidiaries located in Lithuania, nine subsidiaries located in Poland and one subsidiary located in each Estonia and Latvia. The Group engagement team conducted audit work covering all significant reporting entities in Lithuania and Poland. We performed audit work on the selected balances of subsidiaries, which were assessed as material from the Group audit perspective. Our work addressed all of the Group's revenues and 99% of the Group's total assets.

Reporting on other information including the consolidated management report

Management is responsible for the other information. The other information comprises the consolidated management report, including the requirements for the information on corporate governance matters and remuneration (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information, including the consolidated management report.

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

With respect to the consolidated management report, including the requirements for the information on corporate governance matters and remuneration, we considered whether it includes the disclosures required by the Law of the Republic of Lithuania on Reporting by Undertakings and by Groups of Undertakings.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the consolidated management report, including the requirements for the information on corporate governance matters for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the consolidated management report, including the requirements for the information on corporate governance matters and remuneration, has been prepared in accordance with the Law of the Republic of Lithuania on Reporting by Undertakings and Groups of Undertakings.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated management report which we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision



and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the format of the consolidated financial statements with the requirements of the European Single Electronic Reporting Format

We have been engaged based on the amendment to our audit agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the European single electronic reporting format of the Group's consolidated financial statements, including the consolidated annual management report, for the year ended 31 December 2024 (the "Single Electronic Reporting Format of the consolidated financial statements").

Description of a subject matter and applicable criteria

The Single Electronic Reporting Format of the consolidated financial statements has been applied by the management of the Company to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Single Electronic Reporting Format of the consolidated financial statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Single Electronic Reporting Format of the consolidated financial statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The management of the Company is responsible for the application of the Single Electronic Reporting Format of the consolidated financial statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Single Electronic Reporting Format of the consolidated financial statements which is free from material non-compliance with the requirements of the ESEF Regulation.



Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Single Electronic Reporting Format of the consolidated financial statements complies, in all material aspects, with the ESEF Regulation.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' ("ISAE 3000 (R)"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Single Electronic Reporting Format of the consolidated financial statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Single Electronic Reporting Format of the consolidated financial statements was applied, in all material aspects, in accordance with the applicable requirements and such application is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Single Electronic Reporting Format of the consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of single electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

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

Conclusion

In our opinion, the Single Electronic Reporting Format of the consolidated financial statements for the year ended 31 December 2024 complies, in all material aspects, with the ESEF Regulation.

**Appointment**

We were first appointed as auditors of the Group on 16 May 2024. Our appointment represents engagement appointment for the first year.

The key audit partner on the audit resulting in this independent auditor's report is Rimvydas Jogėla.

On behalf of PricewaterhouseCoopers UAB

Rimvydas Jogėla
Partner
Auditor's Certificate No. 000457

Vilnius, Republic of Lithuania
28 April 2025

The auditor's electronic signature is used herein to sign only the Independent Auditor's Report.