

UAB Kvartalas

INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025,
PREPARED IN ACCORDANCE WITH LITHUANIAN FINANCIAL REPORTING STANDARDS

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Balance sheet

	Notes	30 June 2025	31 December 2024
ASSETS			
A. NON-CURRENT ASSETS		42 632 126	27 799 382
1. INTANGIBLE ASSETS		-	-
1.1. Development work		-	-
1.2. Goodwill		-	-
1.3. Software		-	-
1.4. Concessions, patents, licenses, trademarks and similar rights		-	-
1.5. Other intangible assets		-	-
1.6. Prepayments for intangible assets		-	-
2. TANGIBLE ASSETS	3.1.	42 400 389	27 567 645
2.1. Land		-	-
2.2. Buildings and structures		-	-
2.3. Plant and equipment		-	-
2.4. Vehicles		-	-
2.5. Other equipment, fittings and tools		-	-
2.6. Investment property		12 284 734	12 284 734
2.6.1. Land		12 284 734	12 284 734
2.6.2. Buildings		-	-
2.7. Prepayments for tangible assets and assets under construction		30 115 655	15 282 911
3. FINANCIAL ASSETS		231 737	231 737
3.1. Shares in group companies		-	-
3.2. Intercompany loans		-	-
3.3. Intercompany amounts receivable		-	-
3.4. Shares in associates		-	-
3.5. Loans to associates		-	-
3.6. Receivables from associates		-	-
3.7. Long-term investments		-	-
3.8. Amounts receivable after one year		-	-
3.9. Other financial assets	3.2.	231 737	231 737
4. OTHER NON-CURRENT ASSETS		-	-
4.1. Deferred tax asset		-	-
4.2. Biological assets		-	-
4.3. Other assets		-	-
B. CURRENT ASSETS		15 080 799	5 985 677
1. INVENTORIES		15 392	15 410
1.1. Raw materials, materials and consumables		-	-
1.2. Production and work in progress		-	-
1.3. Finished goods		-	-
1.4. Goods for resale		-	-
1.5. Biological assets		-	-
1.6. Non-current tangible assets held for sale		-	-
1.7. Prepayments	3.3.	15 392	15 410
2. AMOUNTS RECEIVABLE WITHIN ONE YEAR	3.4.	161 861	174 416
2.1. Trade receivables		-	-
2.2. Intercompany amounts receivable		-	-
2.3. Amounts receivable from associates		-	-
2.4. Other amounts receivable		161 861	174 416
3. SHORT-TERM INVESTMENTS		-	-
3.1. Shares in group companies		-	-
3.2. Other investments		-	-
4. CASH AND CASH EQUIVALENTS	3.5.	14 903 546	5 795 851
C. PREPAID EXPENSES AND ACCRUED INCOME		10 289	7 906
TOTAL ASSETS		57 723 214	33 792 965

Balance Sheet (cont'd)

	Notes	30 June 2025	31 December 2024
EQUITY AND LIABILITIES			
D. EQUITY		139 080	1 620 350
1. CAPITAL		4 034 000	4 034 000
1.1. Share capital	3.6.	4 034 000	4 034 000
1.2. Unpaid share capital (–)		-	-
1.3. Own shares, stock (–)		-	-
2. SHARE PREMIUM		-	-
3. REVALUATION RESERVE		-	-
4. RESERVES		-	-
4.1. Legal reserve		-	-
4.2. Acquisition of own shares		-	-
4.3. Other reserves		-	-
5. RETAINED EARNINGS (LOSS)	3.7.	(3 894 920)	(2 413 650)
5.1. Profit (loss) of the reporting year		(1 481 270)	(1 024 284)
5.2. Profit (loss) of the previous years		(2 413 650)	(1 389 366)
E. GRANTS, SUBSIDIES		-	-
F. PROVISIONS		-	-
1. Pensions and similar provisions		-	-
2. Deferred tax liability		-	-
3. Other provisions		-	-
G. AMOUNTS PAYABLE AND OTHER LIABILITIES		57 576 614	32 167 465
1. NON-CURRENT AMOUNT PAYABLE AND LIABILITIES	3.8.	51 807 971	28 957 462
1.1. Financial debts		30 469 684	8 000 000
1.2. Amounts owed to credit institutions		-	-
1.3. Advances received		676 587	676 587
1.4. Trade payables		-	-
1.5. Payables under the bills and checks		-	-
1.6. Intercompany amounts payable	3.14.	20 661 700	20 280 875
1.7. Amounts payable to associates		-	-
1.8. Other amounts payable and non-current liabilities		-	-
2. CURRENT AMOUNTS PAYABLE AND LIABILITIES	3.8.	5 768 643	3 210 003
2.1. Current portion of financial debts		72 645	22 732
2.2. Amounts owed to credit institutions		-	-
2.3. Advances received		1 477 360	-
2.4. Trade Payables		4 201 391	3 173 796
2.5. Payables under the bills and checks		-	-
2.6. Intercompany amounts payable		-	-
2.7. Amounts payable to associates		-	-
2.8. Corporate income tax liabilities		-	-
2.9. Employment related liabilities		15 251	13 465
2.10. Other amounts payable and current liabilities		1 996	10
H. ACCRUED EXPENSES AND DEFERRED INCOME	3.9.	7 520	5 150
TOTAL EQUITY AND LIABILITIES		57 723 214	33 792 965

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were signed electronically:

Director
Representative of accounting company

Marius Žemaitis
Ramunė Piečiukaitienė

Income statement

	Notes	2025.01.01- 2025.06.30	2024.01.01- 2024.06.30
1. Sales revenue	3.10.	-	947
2. Cost of sales		-	-
3. Fair value adjustments of biological assets		-	-
4. GROSS PROFIT (LOSS)		-	947
5. Selling expenses		-	-
6. General and administrative expenses	3.11.	(331 711)	(110 686)
7. Other operating results		309	150
8. Income from investments into shares of parent, subsidiaries and associates		-	-
9. Income from other long-term investments and loans		-	-
10. Other interest and similar income	3.12.	43 311	5 328
11. Impairment of the financial assets and short-term investments		-	-
12. Interest and other similar expenses	3.12.	(1 193 179)	(270 521)
13. PROFIT (LOSS) BEFORE TAXATION		(1 481 270)	(374 782)
14. Income tax	3.13.	-	-
15. NET PROFIT (LOSS)		(1 481 270)	(374 782)

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These financial statements were signed electronically:

Director

Representative of accounting company

Marius Žemaitis

Ramunė Piečiukaitienė

UAB "Kvartalas"

Company code: 305475438, Jogailos st. 4, LT – 01116 Vilnius

The Company's Interim Financial Statements 30 June 2025

(all amounts presented in EUR unless indicated otherwise)

Statement of Changes in Equity

	Share capital	Share premium	Own shares (-)	Revaluation reserve Non-current tangible assets	Financial assets	Legal reserve Compulsory reserve or emergency (reserve) capital	Reserve for acquiring own shares	Other reserves	Retained earnings (losses)	Total
1. Balance at the end of the reporting (yearly) period before previous	4 034 000	-	-	-	-	-	-	-	(1 389 366)	2 644 634
2. Result of changes in accounting policies	-	-	-	-	-	-	-	-	-	-
3. Result of correcting material errors	-	-	-	-	-	-	-	-	-	-
4. Recalculated balance at the end of the reporting (yearly) period before previous	4 034 000	-	-	-	-	-	-	-	(1 389 366)	2 644 634
5. Increase (decrease) in the value of non-current tangible assets	-	-	-	-	-	-	-	-	-	-
6. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-
7. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
8. Profit (loss) not recognised in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-
9. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(1 024 284)	(1 024 284)
10. Dividends	-	-	-	-	-	-	-	-	-	-
11. Other payments	-	-	-	-	-	-	-	-	-	-
12. Formed reserves	-	-	-	-	-	-	-	-	-	-
13. Used reserves	-	-	-	-	-	-	-	-	-	-
14. Increase (decrease) of share capital or shareholders' contributions (shares' repayment)	-	-	-	-	-	-	-	-	-	-
15. Other Increase (decrease) of share capital	-	-	-	-	-	-	-	-	-	-
16. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
17. Balance at the end of the previous reporting (yearly) period	4 034 000	-	-	-	-	-	-	-	(2 413 650)	1 620 350

UAB "Kvartalas"**Company code: 305475438, Jogailos st. 4, LT – 01116 Vilnius****The Company's Interim Financial Statements 30 June 2025**

(all amounts presented in EUR unless indicated otherwise)

Statement of Changes in Equity (cont'd)

	Share capital	Share premium	Own shares (-)	Revaluation reserve Non-current tangible assets	Financial assets	Legal reserve Compulsory reserve or emergency (reserve) capital	Reserve for acquiring own shares	Other reserves	Retained earnings (losses)	Total
18. Increase (decrease) in the value of non-current tangible assets	-	-	-	-	-	-	-	-	-	-
19. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-
20. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
21. Profit (loss) not recognised in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-
22. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(1 481 270)	(1 481 270)
23. Dividends	-	-	-	-	-	-	-	-	-	-
24. Other payments	-	-	-	-	-	-	-	-	-	-
25. Formed reserves	-	-	-	-	-	-	-	-	-	-
26. Used reserves	-	-	-	-	-	-	-	-	-	-
27. Increase (decrease) of authorised capital or shareholders' contributions (shares' repayment)	-	-	-	-	-	-	-	-	-	-
28. Other Increase (decrease) of share capital	-	-	-	-	-	-	-	-	-	-
29. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
30. Balance at the end of the reporting period	4 034 000	-	-	-	-	-	-	-	(3 894 920)	139 080

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These financial statements are electronically signed:

Director

Representative of accounting company

*Marius Žemaitis**Ramunė Piečiukaitienė*

Cash Flow Statement

	Notes	2025.01.01- 2025.06.30	2024.01.01- 2024.06.30
1. Cash flows from operating activities			
1.1. Net profit (loss)		(1 481 270)	(374 782)
1.2. Depreciation and amortization expenses		-	-
1.3. Elimination of results of disposals of fixed tangible and intangible assets		-	-
1.4. Elimination of results of financing and investing activities	3.12.	1 149 868	265 193
1.5. Elimination of results of other non-cash transactions		-	-
1.6. Decrease (increase) in intercompany amounts receivable and receivables from associates		-	-
1.7. Decrease (increase) in other amounts receivable after one year		-	-
1.8. Decrease (increase) in deferred tax asset		-	-
1.9. Decrease (increase) in inventories, except prepayments		-	-
1.10. Decrease (increase) in prepayments		18	(15 770)
1.11. Decrease (increase) in trade receivables		2 269	26 630
1.12. Decrease (increase) in intercompany amounts owed and amounts owed by associates		-	-
1.13. Decrease (increase) in other receivables		133 500	(14 617)
1.14. Decrease (increase) in short-term investments		-	-
1.15. Decrease (increase) in prepaid expenses and accrued income		(2 383)	3 098
1.16. Increase (decrease) in provisions		-	-
1.17. Increase (decrease) in long-term trade payables and prepayments		-	338
1.18. Increase (decrease) in long-term amounts payable under the bills and checks		-	-
1.19. Increase (decrease) in long-term intercompany payables and payables to associates		-	-
1.20. Increase (decrease) in trade with short-term trade payables and advances received		28 845	21 089
1.21. Increase (decrease) in amounts payable under the bills and checks		-	-
1.22. Increase (decrease) in short-term intercompany payables and payables to associates		-	-
1.23. Increase (decrease) in corporate income tax liabilities		-	-
1.24. Increase (decrease) in employment related liabilities		1 786	(3 926)
1.25. Increase (decrease) in other amounts payable and liabilities		1 986	1 984
1.26. Increase (decrease) in accruals and deferred income		2 370	(1 600)
Net cash flows from operating activities		(163 011)	(92 363)
2. Cash flows from investing activities			
2.1. Acquisition of fixed assets (excluding investments)		(13 478 598)	(3 375 462)
2.2. Disposal of fixed assets (excluding investments)		-	-
2.3. Acquisition of long-term investments		-	-
2.4. Disposal of long-term investments		-	-
2.5. Loans granted		-	-
2.6. Loans recovered		-	-
2.7. Dividends and interest received		-	-
2.8. Other increases in cash flows from investing activities	3.12.	1 042 497	5 328
2.9. Other decreases in cash flows from investing activities	3.2.	(3)	(231 737)
Net cash flows from investing activities		(12 436 104)	(3 601 871)

Statement of Cash Flows (cont'd)

	Notes	2025.01.01- 2025.06.30	2024.01.01- 2024.06.30
3. Cash flows from financing activities			
3.1. Cash flows related to entity's owners		-	-
3.1.1. Issue of shares		-	-
3.1.2. Owner's contributions to cover losses		-	-
3.1.3. Purchase of own shares		-	-
3.1.4. Dividends paid		-	-
3.2. Cash flows related to other financing sources		21 706 810	2 400 000
3.2.1. Increase in financial debts		22 519 243	2 400 000
3.2.1.1. Loans received		-	-
3.2.1.2. Issue of bonds	3.8.	22 519 243	2 400 000
3.2.2. Decrease in financial debts	3.8.	(800 000)	-
3.2.2.1. Loans repaid		-	-
3.2.2.2. Redemption of bonds		-	-
3.2.2.3. Interest paid		(800 000)	-
3.2.2.4. Finance leases payments		-	-
3.2.3. Increase in entity's other liabilities		-	-
3.2.4. Decrease in entity's other liabilities		-	-
3.2.5. Other increases in cash flows from financing activities		-	-
3.2.6. Other decreases in cash flows from financing activities		(12 433)	-
Net cash flows from financing activities		21 706 810	2 400 000
4. Adjustments due to changes in exchange rates on the balance of cash and cash equivalents		-	-
5. Increase (decrease) of net's cash flows		9 107 695	(1 294 234)
6. Cash and cash equivalents at the beginning of the period		5 795 851	1 445 720
7. Cash and cash equivalents at the end of the period		14 903 546	151 486

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These financial statements were signed electronically:

Director
Representative of accounting company

Marius Žemaitis
Ramunė Piečiukaitienė

Explanatory Notes to the financial statements

1. General information

UAB Kvartalas, company number 305475438 (hereinafter - Company) is a private limited liability company registered with the State Enterprise Centre of Registers on 24 February 2020. The Company was registered as the value-added taxpayer on 14 April 2021. The Company's data is collected and stored in the Register of Legal Entities of the Republic of Lithuania. The Company's registered office address is Jogailos st. 4, Vilnius.

As of 30 June 2025 and 31 December 2024, the Company's shares are owned by Right Bank Development Fund, a closed-end investment fund intended for informed investors, managed by UAB Lords LB Asset Management (company code 301849625, registered office address: Jogailos st. 4, Vilnius).

	30 June 2025		31 December 2024	
	Number of shares	Equity interest	Number of shares	Equity interest
Right Bank Development Fund	4 034 000	100%	4 034 000	100%
Total:	4 034 000	100%	4 034 000	100%

The Company's authorised capital as at 30 June 2025 and 31 December 2024 was EUR 4 034 000 and the number of shares was 4 034 000. All the shares are ordinary registered shares with a nominal value of EUR 1 each, which were fully paid up as at 30 June 2025. The Company has no shares of its own.

The Company's main activity is real estate development and construction.

As of 30 June 2025 and 31 December 2024, the Company had no branches or representative offices.

As of 30 June 2025, the average number of employees of the Company was 4 (31 December 2024 – 4).

2. Accounting policy

The financial statements are prepared in accordance with the legal acts regulating financial accounting and preparation of financial statements in the Republic of Lithuania and Lithuanian Financial Reporting Standards.

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

The Company's financial year coincides with a calendar year.

The figures in these financial statements are presented in the currency of the Republic of Lithuania - Euro (EUR).

The Company meets the criteria for a public interest entity as defined in the Law on Corporate and Corporate Group Reporting when preparing its financial statements.

2.1. Investment assets

Investment property is real estate held to earn income and / or capital gains.

The cost of the acquired investment assets comprises the acquisition cost and any directly related costs. Directly related costs may include legal fees for legal services, title transfer fees and other transaction costs. This acquisition cost accounting principle is applied throughout the construction and development of investment property i.e. investment property under development and construction is classified by the Company in the balance sheet as investment assets and are carried to acquisition cost less impairment.

The Company uses the fair value method to account for investment assets upon completion of construction. The fair value of investment assets is determined on the basis of valuation reports of an independent valuer. An independent valuer's valuation is carried out at least once a year (with more frequent valuations if there are significant changes that could lead to a material change in the value of the property).

2.2. Financial assets and financial liabilities

Financial assets include cash and cash equivalents, and accounts receivable.

Financial assets are recorded when the Company receives, or becomes entitled to receive, cash or any other financial assets under a contract. Accounts receivables are measured at acquisition cost less impairment loss. Cash and cash equivalents are stated at cost. Cash equivalents are short-term (up to three months) liquid investments that are readily convertible into specific amounts of cash and are subject to insignificant risk of changes in value.

If it is probable that the Company will not be able to collect accounts receivable, an impairment loss is recognized and is calculated as the difference between the asset's carrying amount and the present value of the future cash flows discounted at the estimated interest rate.

Financial liabilities include amounts payable for goods and services received and liabilities under contracts for bonds issued and loans received.

Financial liabilities are recorded when the Company incurs a liability to pay cash or to use other financial assets for settlement. Amounts payable for goods and services are measured at acquisition cost.

The Company has issued non-convertible bonds. Bonds issued are classified as financial liabilities redeemable in one lump sum or in instalments according to a fixed redemption schedule. Bonds issued and loans received are initially recorded at acquisition value, which is equal to the amount of funds received. Transaction costs are recognised as expenses in financing activities. Subsequently, financial liabilities are measured at amortised cost using the estimated interest rate method.

2.3. Effective interest rate method

The estimated interest rate method is a method of calculating the amortised cost of financial assets and liabilities and allocating interest income and expense over the relevant period. The estimated interest rate is the interest rate that exactly discounts estimated future cash flows (including any fees paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) to the net carrying amount at initial recognition over the expected life of financial assets and liabilities or, if appropriate, over an appropriate shorter period.

2.4. Foreign currencies

All currency items in the Balance Sheet are stated in Euro using the exchange rate on the Balance Sheet date. Assets recorded at acquisition value that are purchased for foreign currency are stated in Euros in the Balance Sheet at the exchange rate applicable at the time of acquisition. Assets with the fair value measured in a foreign currency are stated in Euros in the balance sheet using the exchange rate as of the date of the fair value measurement. Transactions in foreign currencies are stated in Euro using the exchange rate effective as of the transaction date. Differences that arise from the payment of amounts recorded in foreign currency items at a different exchange rate are recognised as income or expenses in the reporting period.

2.5. Sales revenue

Revenue is recognised on an accrual basis. Revenue is measured at fair value, taking into account discounts given and expected to be given and returns and discounts of the goods sold.

When a service transaction is completed in the same period which it was initiated, revenue is recognised in the same period and measured at the amount specified in the contract. When services are provided for a period exceeding one reporting period under the service provision transaction, revenue is apportioned over the periods during which the services are provided.

The Company's typical operating income consists of rental income. Where the Company operates as an intermediary rather than the main service provider, income and expenses are offset.

2.6. Cost of sales and operating expenses

Expenses are recognised on an accrual and comparative basis in the reporting period in which the related income is earned. Expenses incurred during the reporting period that cannot be directly attributed to generation of specific income and will not generate income in future periods are recognised as expenses in the period in which they are incurred. Expenses are measured at fair value.

2.7. Borrowing costs

Interest on loans and under issued bond contracts is recognised in the Profit and Loss Statement on an accrual basis.

2.8. Corporate income tax

The calculation of corporate income tax is based on the annual profit, after taking into account the deferred corporate income tax. The corporate income tax is calculated in accordance with the Lithuanian tax laws.

In 2025, the corporate income tax rate applied to companies in the Republic of Lithuania is 16% (in 2024 - 15%).

Taxable losses can be carried forward to other reporting periods for an unlimited number of periods, except for the losses incurred through transfer of securities and (or) derivative financial instruments. Such a carryforward is cancelled if the Company ceases to carry on the activity giving rise to the loss, unless the Company ceases to carry on the activity for any reasons beyond its control. The losses from disposal of securities and (or) derivative financial instruments can be carried forward for 5 consecutive years and only be reduced by taxable income earned from the transactions of the same nature. With effect from 1 January 2014, tax losses available for carry forward can be used to reduce taxable income of the current tax year by maximum 70%.

Deferred taxes are calculated using the balance sheet liability method. Deferred tax reflects the net tax effect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period in which the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted on the Balance Sheet date.

Deferred tax assets are recognised in the Balance Sheet to the extent that the Company's management expects that they will be realised in the foreseeable future, taking into account forecasts of taxable profit. If it is probable that part of the deferred tax will not be realised, that part of the deferred tax is not recognised in the financial statements.

2.9. Impairment of non-financial assets

An impairment loss is recognised whenever events or changes in circumstances indicate that the carrying amount may not be recovered. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment is recognised in the income statement. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment loss recognised for the asset no longer exists or has decreased. The reversal is accounted for under the same article of the income statement as the impairment loss.

2.10. Recoverable amount

Recoverable amount is calculated as the higher of the two: the fair value less sales costs and the value in use of the asset. The value in use of the asset is calculated by discounting future cash flows to their present value using a pre-tax discount rate that reflects realistic market assumptions about the time value of money and the risks associated with the asset.

2.11. Offsetting

Offsets of accounts receivable and accounts payable with the same third party are carried out when there is a sufficient legal basis for doing so.

2.12. Post-balance sheet events

Post-balance sheet events that provide additional information about the Company's position as of the balance sheet date (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the Notes when material.

2.13. Contingencies

Contingent liabilities are not recognised in financial statements. They are described in the financial statements, except where the likelihood of the loss of economically beneficial resources is very low.

Contingent assets are not recognized in the financial statements, but they are described in the financial statements if there is the likelihood of generating income or economic benefits.

2.14. Use of estimates in preparing financial statements

The preparation of financial statements in conformity with the Lithuanian Financial Reporting Standards requires the management to make certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingencies. For these financial statements, a significant area where estimates are used involves the assumptions used in the valuation of investment assets. Future events may change the assumptions used in making the estimates. The result of changes in such estimates will be accounted for in the financial statements when determined.

2.15. Financial risk management

The Company is exposed to various financial risks in the course of its business. Risk management is carried out by the management team.

The following main financial risk management procedures are applied in the Company's operations:

Credit risk

The Company does not have a significant concentration of credit risk. Credit risk, or the risk that a counterparty will default on its obligations, is controlled through credit conditions and supervisory procedures. Credit risk is controlled by the Company itself and credit risk management companies are used where necessary.

Foreign exchange risk

The Company does not have a significant concentration of exchange rate risk as the majority of its settlements are in euros.

Liquidity risk

The Company's policy is to maintain sufficient cash and cash equivalents, or to secure financing from the parent fund and credit institutions, to meet the commitments set out in its strategic plans.

Interest rate risk

The Company's income and cash flows from operations are largely independent of changes in market interest rates. The Company has no significant interest-earning assets.

The bonds issued by the Company are at fixed interest rates. The Company's bonds purchased by the related party are at the fixed interest rate, which is calculated on the basis of transfer pricing. The Company does not use any financial instruments to manage the interest rate fluctuation risk.

Related parties

Parties are considered to be related when one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operational decisions.

3. Notes

3.1. Non-current tangible assets - Investment assets

	Land	Unfinished construction	Total
a) Acquisition cost			
as at the end of the previous financial year	12 284 734	3 592 321	15 877 055
Changes in the previous financial year:			
- acquisitions	-	11 690 590	11 690 590
- disposals and written-off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of the previous financial year	12 284 734	15 282 911	27 567 645
Changes in the financial year:			
- acquisitions	-	14 832 744	14 832 744
- disposals and written-off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of the reporting period	12 284 734	30 115 655	42 400 389
b) Revaluation			
At the end of the previous financial year	-	-	-
Changes in the previous financial year:			
- increase (decrease) in value +/-	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- increase (decrease) in value +/-	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of the reporting period	-	-	-
c) Depreciation			
At the end of the previous financial year	-	-	-
Changes in the previous financial year:			
- depreciation in financial year	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- depreciation in financial year	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of the reporting period	-	-	-
d) Impairment			
At the end of the previous financial year	-	-	-
Financial year changes:			
- increase (decrease) in value +/-	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- increase (decrease) in value +/-	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of the reporting period	-	-	-
e) Residual value at the beginning of the previous financial year	12 284 734	3 592 321	15 877 055
Residual value at the end of the previous financial year	12 284 734	15 282 911	27 567 645
Residual value at the end of the reporting period	12 284 734	30 115 655	42 400 389

The Company owns a commercial land plot of 64.3 ha at Konstitucijos ave. 14A, Vilnius, acquired under the sale and purchase agreement dated 28 April 2021. The site is being developed as an office building with over 19,000 sq. m. of ground floor space, the architectural concept of which was selected in March 2022 in an international architectural competition. A building permit was obtained in October 2023 and construction works started in January 2024.

The recoverable amount of the investment property as at 30 June 2025 and 31 December 2024 is calculated on the basis of the valuation of 30 September 2024 carried out by the independent valuer, UAB Newsec valuations. The market value of the investment property is estimated by applying the discounted cash flow method, using a discount rate of 16% and a capitalisation rate of 6%. The cash flows are projected over a 2-year period, assuming an average long-term vacancy rate of 2-5% and an average income growth of 2.6-2.7%. According to the independent valuer's report, the value of the investment property calculated using the discounted cash flow method was EUR 31 520 000.

Sensitivity analysis of the value of investment property

As at 30 June 2025 and 31 December 2024, the recoverable amount of the investment assets was determined using a capitalisation rate of 6% and a discount rate of 16%. A 0.5 percentage point increase in the capitalisation rate would result in an impairment of the property of EUR 2 940 000 and a 0.5 percentage point decrease in the capitalisation rate would result in an increase in the value of the property of EUR 3 460 000. A 1 percentage point increase in the discount rate would result in an impairment of the property of EUR 630 000 and a 1 percentage point decrease in the discount rate would result in an increase in the value of the property of EUR 650 000. Other assumptions remain unchanged by changes in capitalisation and discount rates.

3.2. Other financial assets

	30 June 2025	31 December 2024
Bank guarantee for the performance of the contract	231 737	231 737
Total:	231 737	231 737

In March 2024, the Company issued a bank guarantee to AB Miesto gijos for the performance of the contract, which is necessary to start and carry out the reconstruction of the Company's heat supply networks. The guarantee amount is EUR 231 737 and it is valid for a period of 5 years.

3.3. Prepayments

	30 June 2025	31 December 2024
Deposit paid	15 000	15 000
Prepayments	392	410
Total:	15 392	15 410

In January 2024, the Company entered into a non-residential lease agreement, under which it paid a deposit of EUR 15,000 to the lessor. The agreement was concluded for a period of 19 months, with an option to extend it for a further 3 months.

3.4. Amounts receivable within one year

	30 June 2025	31 December 2024
Receivable VAT	147 657	158 018
Other amounts receivable	14 204	16 398
Total:	161 861	174 416

3.5. Cash and cash equivalents

	30 June 2025	31 December 2024
Cash equivalents	14 400 000	4 000 000
Cash at bank	503 546	1 795 851
Total:	14 903 546	5 795 851

3.6. Structure of the authorised capital

The Company's authorised capital as at 30 June 2025 and 31 December 2024 was EUR 4 034 000 and the number of shares was 4 034 000. All the shares are ordinary registered shares with a nominal value of EUR 1 each, which were fully paid up as at 30 June 2025. The Company has no shares of its own.

3.7. Draft profit distribution

At the time of approval of these financial statements, the management has not prepared a draft profit (loss) distribution.

3.8. Amounts payable and other liabilities

30 June 2025	Within one year	After one, but no later than five years	After five years
Financial debts:			
1. Financial debts	72 645	30 469 684	-
2. Intercompany amounts payable (note 3.14.)	-	20 661 700	-
Other debts:			
1. Trade payables	4 201 391	-	-
2. Advances received	1 477 360	676 587	-
3. Employment related liabilities	15 251	-	-
4. Other payables and short-term liabilities	1 996	-	-
Total:	5 768 643	51 807 971	-

31 December 2024	Within one year	After one, but no later than five years	After five years
Financial debts:			
1. Financial debts	22 732	8 000 000	-
2. Intercompany amounts payable (note 3.14.)	-	20 280 875	-
Other debts:			
1. Trade payables	3 173 796	-	-
2. Advances received	-	676 587	-
3. Employment related liabilities	13 465	-	-
4. Other payables and short-term liabilities	10	-	-
Total:	3 210 003	28 957 462	-

In 2024, the Company approved a prospectus for the placement of EUR 50 million of the Company's bonds issue. On 6 March 2025, the Company's bonds were listed on the main list of the Nasdaq Vilnius stock exchange. During the first half of 2025, the Company issued 221 317 units of secured non-convertible bonds, each with a nominal value of EUR 100. The bonds were issued with a fixed annual coupon rate of 8%, with interest payable on a semi-annual basis. Bond maturity date is 19 December 2026. All of the Company's investment assets are pledged as security for the performance of its obligations to bondholders (see Note 3.1).

Advances received for periods exceeding one year but not later than five years are classified as long-term deposits under signed lease agreements.

3.9. Accrued expenses and deferred income

	30 June 2025	31 December 2024
Accrued audit costs	3 700	3 700
Accrued accounting services costs	3 370	1 000
Accrued costs of managing securities accounts	450	450
Total:	7 520	5 150

3.10. Sales Revenue

	2025.01.01- 2025.06.30	2024.01.01- 2024.06.30
Rental income	-	947
Total:	-	947

3.11. General and administrative expenses

	2025.01.01- 2025.06.30	2024.01.01- 2024.06.30
Advertising and marketing	154 963	20 719
Employment-related expenses	96 750	50 217
Legal services	35 898	5 361
Accounting and audit	10 520	6 765
Brokerage services	7 700	5 400
Office expenses	5 853	5 140
Operating expenses for taxes	5 272	1 994
Insurance costs	3 050	3 478
Car rental and operation	1 898	3 830
Business trip expenses	1 854	2 908
Other expenses	7 953	4 874
Total:	331 711	110 686

3.12. Interest and other similar income and expenses

	2025.01.01- 2025.06.30	2024.01.01- 2024.06.30
Interest and other similar income	43 311	5 328
Interest income earned on deposits	43 311	5 328
Interest and other similar expenses	1 193 179	270 521
Interest on bonds issued in the market	547 558	-
Interest on bonds issued to related parties	380 826	270 521
Other financial costs	252 798	-
Other financial and investment activity expenses	11 997	-
Total:	1 236 490	275 849

3.13. Income tax and deferred income tax

The corporate tax rate used to calculate the deferred tax was 17%.

As of 30 June 2025, the Company had an unrecognised deferred tax asset of EUR 620 149 (EUR 384 469 in 2024) on accrued tax losses. Deferred tax assets against tax losses were not recognised due to uncertainties in the future generation of sufficient tax profits. Accrued tax losses may be carried forward indefinitely.

3.14. Financial relations with the Company's management and other related parties

The average number of managers in the first half of 2025 was 1. The Company's management is considered to be a director, with whom there were no transactions other than remuneration in the first half of 2025 and 2024.

Transactions with other related parties

The transactions with other related parties and their balance at the end of the reporting period were as follows:

	Revenue from intercompany transactions	Intercompany transaction expenses	Amounts receivable	Amounts payable
30 June 2025	-	380 826	-	20 661 700
Shareholder	-	380 826	-	20 661 700
31 December 2024	-	270 521	-	20 280 875
Shareholder	-	270 521	-	20 280 875

2024 intercompany transaction expenses are presented for the period from 1 January 2024 until 30 June 2024.

As at 30 June 2025, the Company's liability to the Shareholder under the issued bonds amounted to EUR 18 936 091 (31 December 2024 – EUR 18 936 091). The bonds are non-convertible, issued with a fixed annual interest rate, and the maturity date is 6 October 2026.

3.15. Subsequent events

On 3 July 2025, the Company redeemed 173 645 units of previously issued bonds and repaid part of the accrued interest under the bond agreement with the Shareholder. The total amount repaid was EUR 200 000.

3.16. Going concern

As of 30 June 2025, The Company's current assets exceeded its current liabilities by EUR 9 314 295 (as of 31 December 2024 - EUR 2 778 430).

As of 30 June 2025, the Company's equity capital was less than ½ of the authorised capital as stated in the Articles of Association and did not comply with the requirements of the Law on Companies of the Republic of Lithuania (as of 31 December 2024, the equity also did not meet the requirements). The assets will be carried at fair value on completion of the development of the investment property, and if assets had been carried at fair value at 30 June 2025, the Company's capital would comply with the statutory requirements.

The Company is a special purpose development vehicle which does not generate income on its own in the short term. The Company's activities are financed with the shareholder's and borrowed funds based on the progress of the project and the need for working capital. As at the respective financial reporting date, the Company had approved a prospectus for a public bond issue totaling EUR 50 million, under which it has already successfully raised EUR 30,1 million from external financing (Note 3.8). In 2025, the Company plans to raise additional external financing by issuing the bonds, depending on the progress of the project and the need for working capital.

The financial statements for the period ended 30 June 2025 have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.

These financial statements were signed electronically:

Director
Representative of accounting company

Marius Žemaitis
Ramunė Piečiukaitienė

UAB Kvartalas Interim Management Report for the First Half-Year 2025

Basic information about the Company

UAB Kvartalas, company number 305475438 (hereinafter – **the Company**) is a private limited liability company registered with the state enterprise Centre of Registers on 24 February 2020. The Company was registered as a value added tax payer on 14 April 2021. The Company's data are collected and stored in the Register of Legal Entities of the Republic of Lithuania.

Head office address: Jogailos st. 4, Vilnius.

Company's shareholders: The Company's shares are owned by Right Bank Development Fund, a closed-ended investment fund intended for informed investors, managed by UAB Lords LB Asset Management (company code 301849625, registered office address: Jogailos st. 4, Vilnius).

Shares: As of 30 June 2025, the Company's authorized capital was EUR 4 034 000 and the number of shares was 4 034 000. All the shares are ordinary registered shares with a nominal value of EUR 1 each.

Company's CEO: Marius Žemaitis (as of 1 August 2025).

Key events during First Half-Year 2025

- On 1 April 2025, UAB Kvartalas distributed bonds with a nominal value of EUR 12 000 000 to finance the development of business center "Sąvaržėlė".
- On 22 April 2025, 32% completion of the business center was registered.
- On 20 June 2025, UAB Kvartalas distributed bonds with a nominal value of EUR 10 131 700 to finance the development of business center "Sąvaržėlė".

Key events after the end of the First Half-Year 2025

- On 1 August 2025, Marius Žemaitis was appointed as the new director of the Company.

Objective overview of the Company's condition, performance and development, a description of the main types of risks and uncertainties faced by the Company

The main activity of the Company is real estate development and construction. The Company owns a commercial land plot of 64.3 a at Konstitucijos ave. 14A, Vilnius. The site is being developed as an office building with over 19,000 sq.m. of aboveground gross building area, the architectural concept of which was selected in March 2022 in an international architectural competition. A building permit was obtained in October 2023 and construction works started in January 2024.

The Company is a special purpose development vehicle which does not generate income on its own in the short term. The Company's activities are financed with the shareholder's and borrowed funds based on the progress of the project and the need for working capital. The Company had approved a prospectus for a public bond issue totalling EUR 50 million, under which as of 30 June 2025 it has already successfully raised EUR 30.1 million from external financing. The Company plans to raise additional external financing by issuing the bonds, depending on the progress of the project and the need for working capital.

Significant risks faced by the Company:

Construction costs and Project success risk

The Company is undertaking the development of an A++ class business center "Sąvaržėlė" in the Republic of Lithuania. Investments in newly constructed buildings carry more risk compared to investments in completed properties, as they do not yet generate operating income (e.g., rent) but still incur significant costs, including construction expenses, real estate taxes, and insurance. Real estate development also involves the risk of committing substantial financial resources to projects that could be cancelled due to legal or regulatory issues, experience prolonged completion times, or incur higher-than-anticipated costs. Additionally, there is a risk of significant losses if third parties fail to successfully complete construction, potentially resulting in delays and cost overruns.

Geopolitical environment

Global market conditions, such as the ongoing Russia-Ukraine war, volatility in the electricity market, and fluctuations in the supply chain for building materials could greatly influence key variables like financing costs, operating expenses, and construction costs.

Consequently, the Project could encounter delays, generate less revenue, or incur higher costs than initially expected. These delays may also lead to tenants terminating existing agreements, which could further impact the Company's financial position and its ability to meet its obligations to Bondholders.

Economic environment (domestic and international) and insolvency risk

Even if there is currently no significant economic downturn in Lithuania, if such an economic downturn occurs, adverse circumstances could impact the real estate market and, consequently, the Company's financial standing. The real estate market is inherently volatile, and there is a risk that real estate investments may lose value over time. Since the Company's operations are closely tied to real estate construction and development, its primary risk is the fluctuation in the real estate market, which could decrease the liquidity and value of its assets. Additionally, real estate market is competitive, which arises from the current supply of business centers in Vilnius, as well as several other business centers that are under construction and scheduled for completion around a similar time as the Project. Given that the real estate market is closely linked to the overall state of the economy in Lithuania and internationally, the Company's target clients (tenants) may slow their expansion and growth plans, thus interest in the Company's services may decrease and it may be difficult to find suitable tenants for the Project.

Development prospects

One of the main goals of the Company is to ensure proper and timely development of the real estate project. The Company is currently focused on finding new tenants, project development and interior design works.

Analysis of financial and non-financial performance

Indicators describing the Company's performance

Indicator	30 June 2025	30 June 2024
Debt ratio = liabilities/total assets	0,9975	0,891
Total liquidity ratio = current assets / current liabilities	2,61	0,2

The data presented in the interim financial statements for the first half-year of 2025 are sufficiently detailed and do not require separate references or additional explanations.

Information about the CEO

Other management positions held by Marius Žemaitis as of 30 June 2025:

Entity	Legal form	Description	Registration number	Address	Position
Marius Žemaitis	UAB	UAB „Lords LB Asset Management“	301849625	Jogailos st. 4, Vilnius	Board member
Marius Žemaitis	UAB	UAB „Investmira“	303558853	Jogailos st. 4, Vilnius	Director
Marius Žemaitis	UAB	UAB „Investmiros valdymas“	304398939	Jogailos st. 4, Vilnius	Director
Marius Žemaitis	UAB	UAB „Inrega“	302339162	Jogailos st. 4, Vilnius	Director
Marius Žemaitis	AB	AS “PN Project”	40203063602	Republikas laukums 2A, Riga	Chairman of the supervisory board
Marius Žemaitis	Charity and endowment fund	Vilnius Jesuit High School Endowment Fund	306001101	Augustijonų st. 5, Vilnius	Board member
Marius Žemaitis	CIF	Lords LB Special Fund I Subfund A	1065	Jogailos st. 4, Vilnius	Fund manager
Marius Žemaitis	CIF	Central Development Fund	1095	Jogailos st. 4, Vilnius	Fund manager

Average number of managers during the first half of 2025 was 1. The Chief Executive Officer is considered to be management of the Company, and there were no other transactions except for salary in the first half of 2025.

Environmental safety

The Company's activities fully comply with the requirements of the legal acts. The Company has signed a construction contract for the project under development. The Company's partner is a certified company operating in accordance with the requirements

UAB "Kvartalas"

Company code: 305475438, Jogailos st. 4, LT – 01116 Vilnius

The Company's Interim Financial Statements 30 June 2025

(all amounts presented in EUR unless indicated otherwise)

of the integrated quality, environmental and occupational safety and health management system: LST EN ISO 9001:2015, LST EN ISO 14001:2015 and LST EN ISO 45001:2018.

Company's business plans and forecasts

In the coming year, the Company will focus its efforts on searching for new tenants, construction and installation works.

Other required disclosures

The Company does not conduct research and development activities.

As of 30 June 2025, 2024, the Company did not have any branches or representative offices.

The Company did not acquire, transfer or hold any own shares during the reporting year.

This management report was signed electronically by

CEO of Kvartalas UAB

Marius Žemaitis

UAB "Kvartalas"

Company code: 305475438, Jogailos st. 4, LT – 01116 Vilnius

The Company's Interim Financial Statements 30 June 2025

(all amounts presented in EUR unless indicated otherwise)

Confirmation of Responsible Persons

We hereby confirm that, to the best of our knowledge and belief, the interim financial statements of UAB Kvartalas (the "Company") for the six-month period ended 30 June 2025, prepared in accordance with the Lithuanian Accounting Standards, present a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance and cash flows for the six month period that ended.

The Management Report for the reporting period provides a fair review of the Company's results, business development, and a proper description of its condition together with the principal risks and uncertainties.

Director

Representative of accounting company

Marius Žemaitis

Ramunė Piečiukaitienė